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AMERICAN NAVIGATION,

WITH SOME ACCOUNT OF

*THE CAUSES OF ITS RECENT DECAY, AND
OF THE MEANS BY WHICH ITS PROS-
PERITY MAY BE RESTORED.*

BY
HENRY HALL.

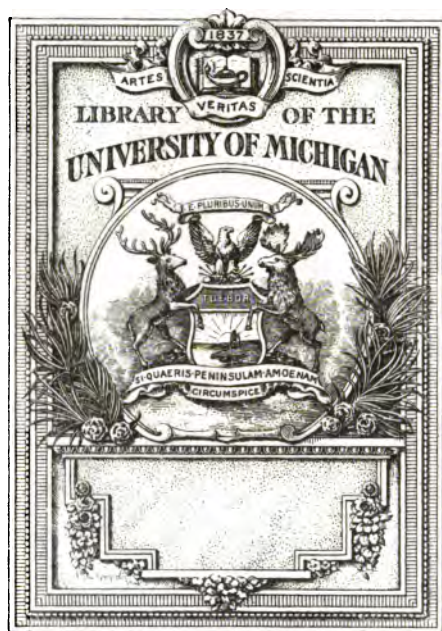


*"I am for ruling America for the benefit, first, of Americans, and the rest of mankind
afterward."—Mr. Morrill, of Vermont.*

REVISED AND ENLARGED.

NEW YORK:
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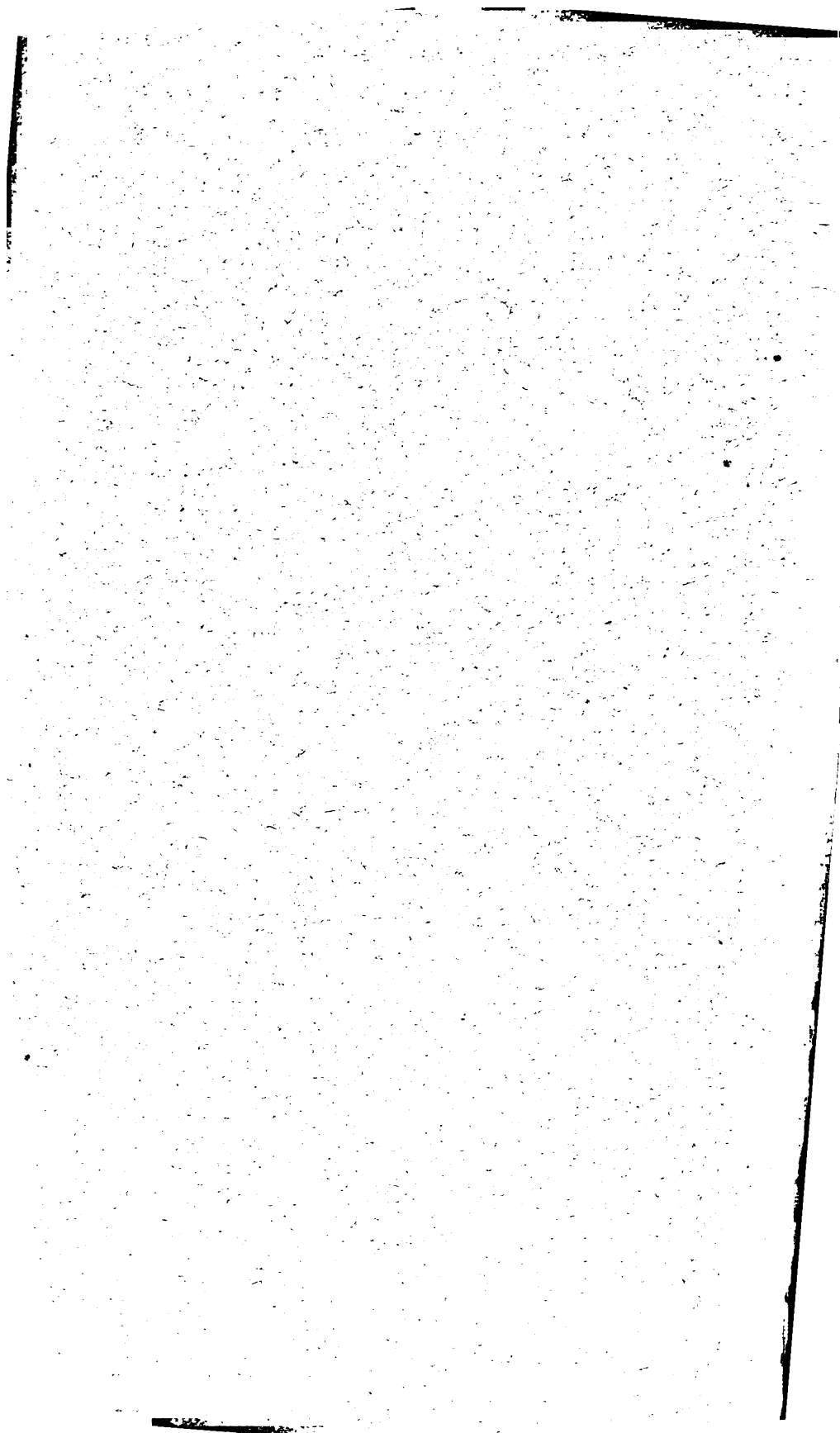


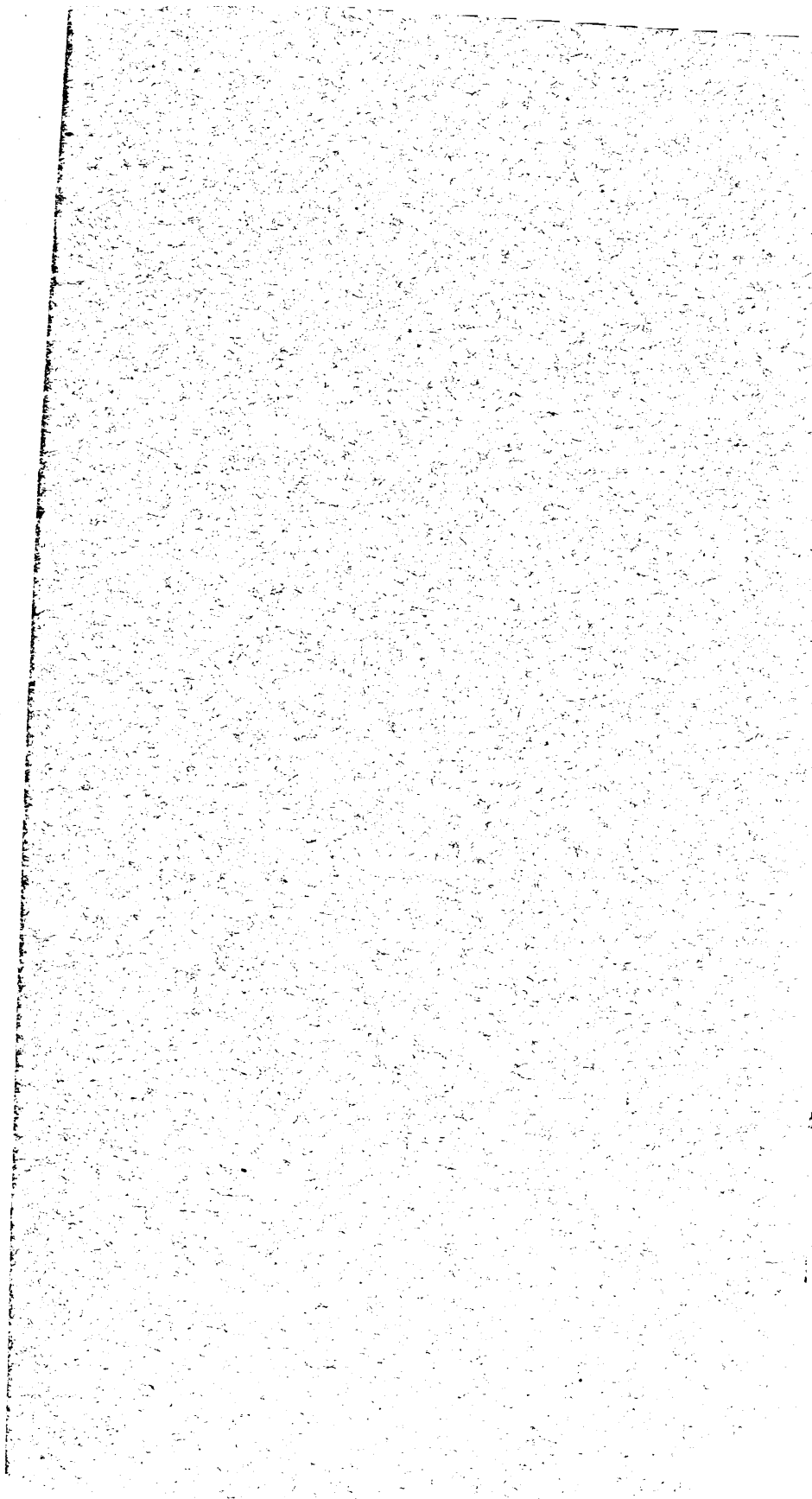
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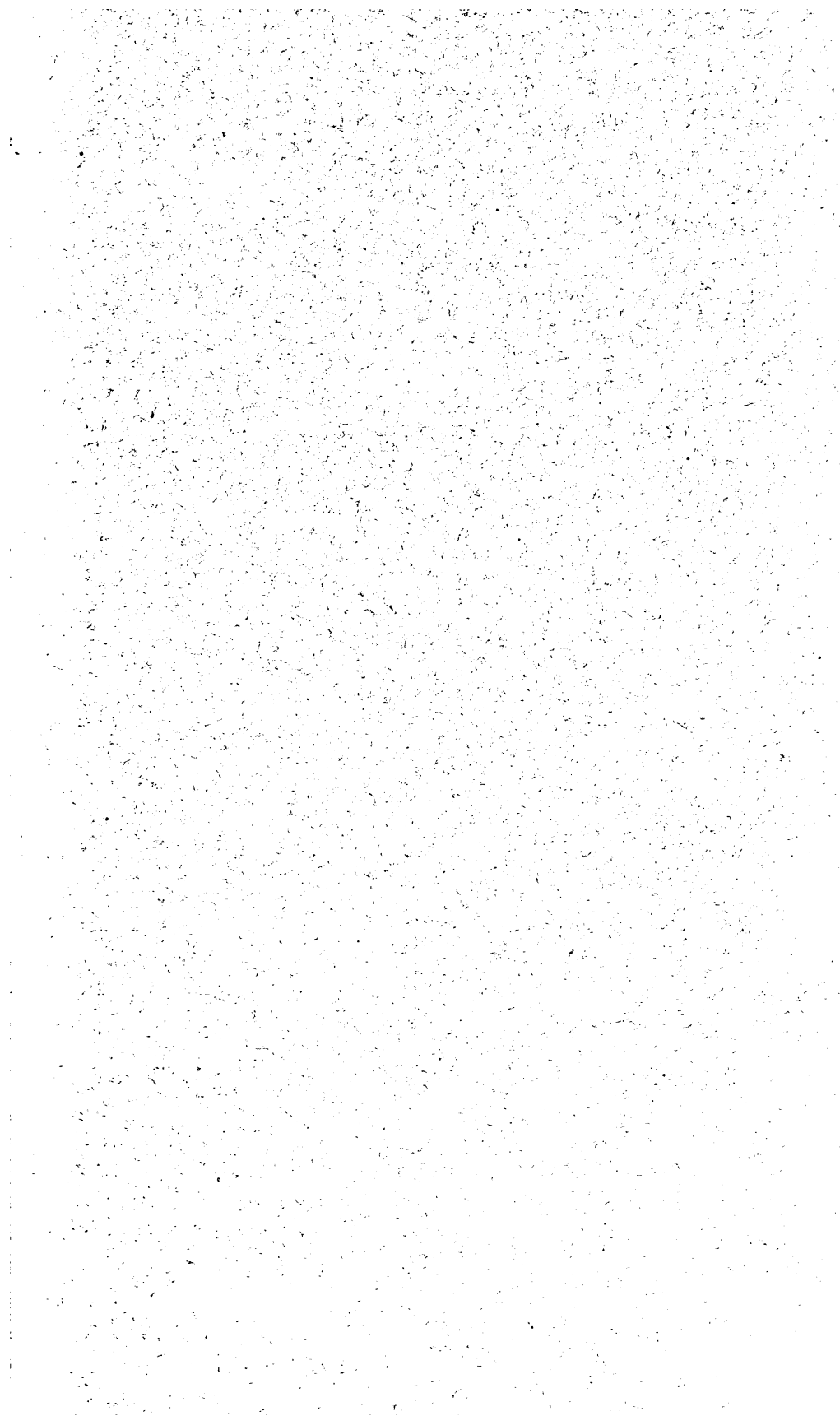
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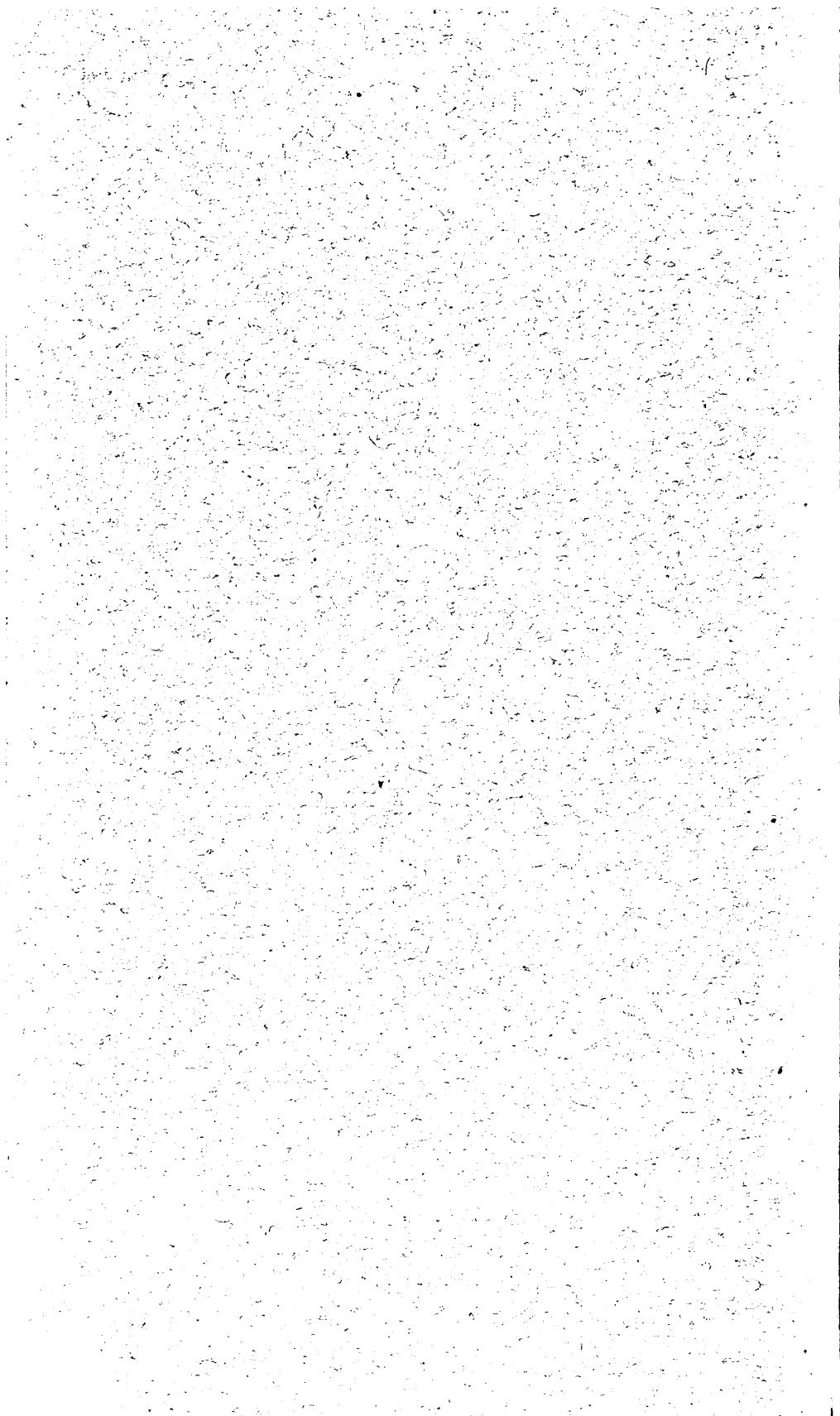
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PREFACE.

THE object of this pamphlet is to set forth the causes of the decline of American shipping, and the arguments pro and con on the subject of free ships, subsidies, and the propriety of maintaining the Navigation Laws of the United States. A first edition of this dissertation, printed last winter, was received with some encouragement. The author ventures to put the pamphlet forth again, in a revised and enlarged form, in the hope that it may assist those who wish for information on this interesting current topic, to form an opinion on the merits of the questions at issue.

The original purpose was to show why American ships are not employed to a large extent in the immense foreign trade of this country, and to indicate what might be done to effect a change for the better. Two or three years ago, the topic which most engaged attention was the causes which had led almost to the extinction of the great fleet of beautiful clipper ships and swift ocean-steamers, which, in 1857, had become the pride of our country and the admiration of the whole maritime world. The public were then first beginning to be painfully aware of the growing ascendancy of foreign shipping in the trade of all our harbors, and of the fact that the export trade in American manufactures was shackled by the lack of American steamers plying direct to certain coasts with which the United States ought to have a large commerce. The first question which arose in all minds was, naturally, how did this decay of American shipping in the ocean commerce come about. There were almost as many opinions on the point as there were men to utter them. Views differed according to the interests of the several authorities and the amount of pains each one took to investigate

the subject. The first edition of this pamphlet was printed as a contribution to that discussion ; and, as it was intended not so much for ship-owners and ship-builders as for practical business men, merchants, manufacturers, farmers, and others, whose welfare is linked with the welfare of the merchant marine, but who seldom pay any attention to the causes affecting maritime activity, some of the more elemental facts involved in the subject were set forth for their information.

The scope of the discussion has latterly been extended somewhat. It is now seriously proposed in Congress to repeal the Navigation Laws of the United States, and to bring down upon vessel-owners in the Mississippi river valley, on the northern lakes, and in the coasting trade, the fury of competition with a multitude of hungry foreign vessels, now out of employment, and eager to get admittance to our rivers, lakes, and coasts, as well as to subject our builders from Maine to Alaska to the competition of foreign builders. "Free ships" is the cry. Concurrently, the policy of establishing American steamship lines to foreign countries by mail contracts is more vigorously opposed than ever, while, on the other hand, the friends of American shipping are now advocating a general government policy in favor of mail contracts to all the lines which it may be expedient to establish. In view of the enlarged scope of the discussion, a chapter has been added to this edition, presenting the arguments on the question of Free Ships and Subsidies.

The whole subject of the state of our shipping interest is discussed here in the light of foreign policy. No correct explanation of our former prosperity or recent decay can be given except by so doing. No intelligent action can be taken for the future benefit of our navigation except by understanding what other nations have done and are willing to do in competition with us. There has been too much indifference for the last thirty years in regard to foreign policy. We have suffered from it, but paid no attention to it. The time has come for a change. We need now to study foreign policy attentively, and must do so before even undertaking to decide what policy we shall adopt for ourselves.

This pamphlet advocates a protective policy in regard to our

shipping. It claims that the United States has reached a point in its history when the opportunity is placed before it to embark in the navigation of the Atlantic and Pacific on a large scale, and that the Government should actively aid the people by mail contracts to steamship lines and otherwise, to take advantage of the situation. Prompt action is needed, lest a great opportunity may be lost. It also proposes that there shall be a general investigation of the whole subject of American navigation, trade, and manufacture, in order to place before Congress the facts upon which an intelligent and aggressive policy can alone be founded.

In the words of General Key, in a recent speech in the West, "The time has come when our farmers and business men must take interest in these questions, if the fountains of our prosperity are not to be dried up."

HENRY HALL.

TRIBUNE OFFICE, NEW YORK, *October*, 1879.

AMERICAN NAVIGATION.

I.

THE SITUATION.

THE United States now makes to the ocean-carrying trade of the world its most valuable contribution. No other nation gives to commerce so many tons of bulky commodities which have to be carried such long distances across the sea. The extent of our commerce, in tons of articles carried (2,240 pounds to the ton), is as follows :¹

EXPORTS.

YEARS ENDING JUNE 30th.	Ag. Produce.	Oils.	Provisions.	Manufactures.	Metals, etc.	Total.
1869.....	1,404,642	455,857	104,754	198,605	818,288	2,482,171
1870.....	2,190,957	588,491	110,525	170,200	862,181	3,872,704
1871.....	2,524,005	651,988	180,981	204,419	477,960	4,089,802
1872.....	2,688,218	565,492	347,715	277,582	627,398	4,501,400
1873.....	3,387,967	552,687	424,080	201,649	725,882	5,542,165
1874.....	4,567,184	1,114,521	411,600	258,779	926,846	7,278,480
1875.....	3,681,902	989,900	853,511	258,405	707,505	5,985,523
1876.....	4,400,907	1,088,158	871,689	306,241	751,859	6,918,884
1877.....	4,658,889	1,396,628	553,969	262,500	904,769	7,721,700
1878.....	6,468,150	1,549,890	683,180	217,200	758,620	9,616,540
1879.....	7,947,280	1,564,600	692,480	190,600	747,800	11,149,160

IMPORTS.

YEARS ENDING JUNE 30th.	Ag. Produce.	Manufactures.	Metals and Minerals.	Chemicals.	Miscellaneous.	Total.
1869.....	1,992,726	617,588	1,385,625	170,786	55,427	3,452,152
1870.....	1,958,070	788,981	1,429,461	161,910	64,588	3,653,460
1871.....	1,992,217	696,772	1,688,465	175,858	149,645	4,002,452
1872.....	1,927,050	698,296	1,901,681	185,308	180,000	4,487,335
1873.....	1,818,005	909,429	1,522,546	240,297	112,791	4,608,968
1874.....	1,759,410	759,917	1,222,540	217,751	54,896	4,018,014
1875.....	1,786,467	685,099	951,689	216,288	65,759	3,705,297
1876.....	1,777,170	605,429	870,427	163,708	181,467	3,548,201
1877.....	1,720,066	602,161	927,078	202,458	127,046	3,598,804
1878.....	1,755,900	567,900	906,020	220,680	251,900	3,702,500
1879.....	1,944,900	574,770	869,980	282,080	111,600	3,782,530

¹ These figures, if not exact, are at least a very close approximation, obtained by a condensation from the tables of the Bureau of Statistics.

These goods are exchanged with continents and lands lying from 3,000 to 5,000 miles distant and farther. Our commerce is, therefore, carried on by means of the long voyages which in every age have been eagerly coveted by a maritime people, and which are productive of employment to the greatest tonnage of shipping. The value of the goods entering into our commerce by sea amounted in 1877 to \$1,173,000,000, of which \$694,000,000 were exports and \$479,000,000 were imports. Twenty-five years ago this commerce amounted to less than \$500,000,000.

Twenty-five years ago American shipping was almost supreme in our commerce. In 1851 \$316,000,000 of the exports and imports were carried by vessels belonging to this country and built upon its shores, against \$117,000,000 carried under foreign flags. The most valuable freights were secured by American ships; and they got better pay for their services in competition with foreign vessels. To-day American ships actually carry less than they did in 1851, or in any year thereafter until the war broke out, 1852 alone excepted. Yet commerce by sea has more than doubled. In 1877 American ships carried \$315,000,000 of the imports and exports by sea. Foreign ships carried \$858,000,000, over seven times as much as in 1851.

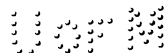
If the larger proportion of this commerce consisted in the importation of articles of foreign growth and manufacture, it would not be strange to find foreign ships enjoying the larger share of the business. The ships of other lands would naturally have the preference in their own ports for the exportation of goods to the United States. The remarkable fact is, that the larger proportion of the goods go from our own shores. This is shown both by the above table and by the record of the custom-houses along the coast. Of the 17,000 ships which enter and clear at our ocean-ports every year, 4,600 enter port empty, seeking a cargo, and only 2,000 sail from port without a cargo.

In New York Harbor 800 vessels and more constantly lie at the piers or at anchor in the bay, taking on or discharging cargo. There are one hundred departures a week for foreign lands. Yet it often happens that a fortnight passes without a single ship with an American flag at the peak clearing from the port for the British Isles, with which the largest commerce of New York is transacted. At the same time an average of twenty-five foreign vessels clear from the same port every week in that trade.

For the last fifteen years a sum of money has been paid by the United States to foreign ship-owners for the transportation of mails, passengers, and goods, which cannot in any one year have been less than \$20,000,000. It now amounts to \$50,000,000 a year. Practical shipping-men have estimated it as high as \$75,000,000 a year. It is \$50,000,000 at least. As far as freight is concerned, this refers to the

import trade alone. In the export trade, only seventeen per cent. of which is now transacted in American vessels, we again have to pay heavy tribute to foreign ship-owners. Owing to the low prices prevailing abroad, we sometimes have to pay a part of the ocean freight to get our goods to market; that is to say, we have to take lower prices for our goods in American ports, which is the same thing as paying a part of the freight. The United States accordingly pays a tribute of from \$50,000,000 to \$100,000,000 yearly to foreign ship-owners. These immense sums of money do not return to us in any useful manner. They are not invested in American goods. There is plenty of evidence of that; and, considering what our exports are, it is not probable that we would sell less of them in the future, if the whole of them, and the imports, too, were carried in American ships, and all the freight-money earned by Americans. Those sums are not invested in American labor. Their disbursement to foreigners certainly does not tend, either, to the accumulation of capital in this young country, which needs capital so much. There are only three possible ways in which we can derive any benefit whatever from this drain upon the national wealth. One is, that a portion of the money may be loaned to us again to build our great railroads from the interior to the sea-shore, which Englishmen seem as anxious now to control as they have been in the past to get possession of the steamship lines, which run from the termini of those roads to other lands. Another is, that the money may be invested in our Government bonds. A third is, that the heavy drain of specie, which has amounted to \$780,000,000 in the last fourteen years, \$360,000,000 of it being for freight-money, has tended, as far as it has had any influence whatever, to bring down the prices of labor and goods, and to enable us to export on a larger scale. In the first two cases the benefit to this country is small, and is more than counterbalanced by the fresh drain of specie which has been created for the payment of interest. In the latter case there may have been a small benefit to the country in the way of increased exports; but this, again, is more than offset by the suffering which a fall in the value of labor has brought about, and by the check to national development and civilization. It is confidently asserted that the money paid by this country to foreign shipping is a useless and disastrous drain upon our resources. The \$50,000,000 to \$100,000,000 of money paid out every year is thrown to the winds, while, if paid to our own citizens, it would be an inexhaustible source of blessing to every class of our countrymen.

One advantage of living in a republic is, that the taxes there are lighter. The government is run at less expense. There are great economical advantages to a people in having a republican government on that account. This is well understood in the United States, where,



to secure the full advantages of our free political institutions, there is a constant striving after a sparing expenditure in public affairs. Yet our people are incurring a loss every year in reference to their shipping interests, which no saving in government expenses can possibly make up, simply because they are paying no attention to the subject. They might, by spending \$5,000,000 every year in compensation to American steamship lines, save \$50,000,000.

In the last two hundred years the tonnage of the world has increased enormously. According to Seabright's statistical annals, the tonnage of Europe in 1676 was 2,000,000, owned as follows: In the Netherlands, 900,000; in England, 500,000; in Hamburg, Denmark, Sweden, and Dantzic, 250,000; in Spain, Portugal, and Italy, 250,000; and the rest here and there. Now Europe owns 13,700,000 tons of shipping, and the world owns over 19,000,000, of which 15,600,000 tons is in sailing-craft, and the rest in steam-vessels. This includes only sea-going vessels, and does not take in river-craft. The distribution is as follows: Great Britain, 7,300,000; the Netherlands, 500,000; Norway and Sweden, 1,800,000; Italy, 1,300,000; France, 925,000; Germany, 540,000; the United States, 3,500,000; and the rest here and there. The greatest increase has been within the last forty years. The tonnage of the world has tripled in that period. Its efficiency has increased in a greater ratio. It is now six times as great as forty years ago, owing to the fact that steam has been utilized in ocean-commerce within that period, and that a given tonnage of steam-shipping performs a service equal to three times the amount of sailing-tonnage. Shipping has increased faster than commerce and travel, and a great deal of it has been rendered idle and useless by steam, the employment of the telegraph throughout the world, and the opening of the Suez Canal.

A growing proportion of the ocean-commerce of the world is being transacted by steam-vessels. This is an important fact in the situation. The cost of operating steamships has been cheapened one-half within twenty years. Steam can now compete with sails, and it is gradually and surely superseding sails in all important trades. Trade loves rapid dispatch, and as steam has made itself able to transact business three times as fast as the craft propelled by the winds, and at little or no greater cost, it is rapidly gathering up not only all the mails, passengers, and finer classes of freight, but the bulky staple goods, which, twenty-five years ago, statesmen said would never in the world be carried in anything except sailing-vessels. There are some figures to show how rapidly sailing-vessels are being displaced in ocean-commerce. At the port of New York, to which are brought three-fourths of all the imports to the United States, steam-vessels import nine-tenths of all the goods coming from countries from which steamships run. They bring all the passengers and mails. Of the exports from New York Harbor,

three-fifths of the whole go by steamer. Mr. R. K. Sanford, the intelligent chief of export statistics at the New York Custom-House, kept for a few months in 1876 an account of the exports by steam and sail to the special countries to which steamers run. For six months his record was as follows :

SPECIAL COUNTRIES.	Steam.	Sail.
England.....	\$55,741,208	\$18,487,682
Scotland.....	8,921,182	969,785
France.....	5,449,055	3,804,644
Germany.....	10,595,748	6,272,795
Cuba.....	3,026,478	1,485,058
Netherlands.....	5,061,920	2,241,889

Had a record been kept at Boston, Philadelphia, and Baltimore, the same increase of steam in commerce and the same displacement of sailing-tonnage would have been shown.

This result was clearly foreseen in Europe, and foreigners shifted their capital from sailing to steam tonnage. They have put two hundred steamers into the trade to the United States. On the other hand, the United States has neglected the new mode of transportation in its foreign trade, and has less than fifteen steamers running across the Atlantic and Pacific Oceans. It loses ground in the carrying-trade, therefore, year by year. It neither employs the modern style of ship, nor is able to compete for business with its sailing-craft. It suffers the double loss of not having a share of a profitable business, and of seeing tens of thousands of tons of sailing-vessels lying idle in its harbors. A revival of our shipping interest must take place principally in the direction of our steam marine. It is only with the most modern description of vessel that we can win back our old-time supremacy in the carrying-trade.

With the decay of our foreign navigation there has been a corresponding decay of our ship-building. In 1857, when our marine was the most prosperous, \$25,000,000 was being expended annually in the construction of new vessels, and a far greater sum in the repair of old ones. Only an infinitely small part of this expenditure was for raw material. It was nearly all for labor. The amount spent annually in building new vessels is now about \$11,000,000, and the disbursements for repairs are proportionately reduced. The falling off is more than half. Except for the wise regulation that none except American ships shall take part in the coasting-trade of the United States, this profitable branch of manufacturing industry would have died out in this country. As it is, with twice the tonnage employed in our foreign trade, ship-building has fallen off one-half in twenty years. There are thousands of men starving in this country to-day because they cannot get work. There are large numbers of our young men growing up who

cannot find any field of employment that is not overcrowded. What a boon it would be to our country were the Government to pursue a policy with reference to shipping which would lead to the old activity at the ship-yards, and make a fresh demand for the services of our laboring population and our young men!

The capital invested in our sailing-tonnage built for the foreign trade is now largely unproductive. A great deal of the tonnage is absolutely idle, and in danger of becoming a total loss to its owners. Ship proprietors have been losing money for several years. The coasting-trade continues to be regular and profitable. In the foreign trade, our sailing-ships are only made to pay to any extent when owned by merchants who trade in them on their own account. In the general carrying-trade they scarcely live, and, as stated before, many have been withdrawn from business altogether.

These are the principal facts in regard to depression in our navigation and the way it is affecting the country.

The political dangers arising from a feeble merchant marine ought not, however, to be overlooked; and there is another matter which may be mentioned to show what the United States is losing by its negligence to develop a steam marine for the foreign trade. The country is under the necessity of exporting its manufactures on a large scale. The home market is too small to keep our manufacturing population busy. The foreign markets in which a large sale of our goods can be most easily be created are in South America, Africa, and the Mediterranean countries. But the Europeans have an almost undisputed control of those markets at present, because they have abundant steam communication with them, a fact which enables them to land their goods more cheaply, and to take the quickest advantage of the state of the markets. The United States is under the need of extending its commerce, but is hampered by the insufficiency of its steam marine. We suffer from dull times and stagnation, when the starting of first-class steam lines to South America, Africa, and the Mediterranean, would quicken industry and agriculture in every part of the land.

This is the situation. The first question is, "What is the depression all due to, and is it likely to be permanent, or are the causes of depression under our control?" It is a question that should not be answered hastily. A time like this came once in the affairs of Italy, Spain, Portugal, and the Netherlands, and those countries never rose from the disasters which befell their merchant marine. Three of those powers were at different times, and for a long period, the common-carriers of almost the whole known world. Decay fell upon their marine, and they passed off the stage forever as great navigating peoples. Is this to be the fate of the United States? Or are our misfortunes merely the clouds of a day in the sky, and like clouds not likely long to remain?

II.

CAUSES OF MARITIME ACTIVITY.

It will help us to understand the true state of the case in regard to our merchant marine by looking first at the general causes which affect maritime prosperity. The special causes which have affected our enterprise will be considered in other chapters.

There need be no uncertainty about the things which qualify a nation to become eminent in navigation, or which prevent it from becoming so. History is full of instances of the rise and fall of maritime nations, and of instances where nations never became maritime at all. It is not difficult to select from the conditions of national life the particular things which give rise to the impulse toward a navigation of the sea, and enable a people to gratify that impulse on a large scale; or which create a disrelish for the sea, and guarantee that a race will remain landmen for ages, if not for all time.

I. The first impulse toward maritime enterprise arises out of life in a region which will not support its inhabitants in agriculture. Original poverty of the soil, or limited extent of territory, almost rises to the rank of a necessary qualification to become a maritime people. The born navigators of the world always lived in little, half-barren countries situated in the midst of fruitful regions. Beginning with the Phœnicians, who lived in a contracted, sterile spot at the eastern end of the Mediterranean, no larger than a county in the Empire State, and coming along down to the Venetians, living on marshy islands in the sea, the Dutch, the Scots, the people of the north of Europe, the Icelanders, and the New-Englanders, who have been the only born navigators of the world, it will be seen that they occupied the comparatively unfertile lands. On the other hand, those who inhabited the fruitful regions never navigated to any extent until their population became so dense that agriculture would not support them. This was the case with the Carthaginians, the Greeks, the Latin races of Europe, the English, and peoples on various parts of the American Continent. As showing the influence of dense population, it is interesting to note a peculiar experience of Spain and Portugal. Before and at the time of the discovery of America, and of the ocean-route to the East Indies, both countries were very rich in shipping; but both expelled the Saracens and Jews, and sent off a large number of their own people to colonize newly-discovered regions. Not only were both countries deprived of the whole of their surplus population, but they were left with an absolutely insufficient population. A decline in shipping immediately followed. Neither country ever recovered from the maritime decay

which then set in. A people inhabiting a fertile territory which they have never been able to crowd with human beings have never yet actively navigated the sea. The Egyptians, in an experience of at least six thousand years, although living directly in the path of the East India trade, have never had ships, except during the reign of some king who built them mainly for military purposes. Superhuman efforts have been put forth to give Egypt a merchant marine. They all failed from the cause above stated. The passivity of the Brazilians is another illustration of the principle.

In the United States the original, and almost the only, navigators have been the New-Englanders and New-Yorkers. They occupied the poorer lands. In the South there was scarcely any shipping at all for a hundred years, and has been very little since. To-day not over one-ninth of the tonnage of the country is owned in that region. The rich lands prevented navigation. The ship-builders sent over to Virginia, by the company in England which planted the colony, themselves fell to planting tobacco. There was, however, great interest in the prosperity of our navigation in all parts of the country, even in the agricultural States, as long as our people lived on the coast, hedged in by the wilderness and the savage tribes of the interior. Interest in our navigation decayed when, by reason of the building of railroads and the employment of steam on the Western rivers, our population was enabled to spread itself over the vast agricultural regions of the interior. With the opening of the West to settlement, all pressure of population of preceding times passed away. A scarcity of population followed, and our foreign navigation began to decline. Coming down to 1879, we find now a pressure of population. Immigration has brought millions of people into the country. Natural increase has been doing its work. The country does not yet contain, perhaps, a fourth part of the population which may eventually gather here, but, under the circumstances of the times, the East is in a condition of over-population. The people cannot all live in farming; they cannot at present find full employment in the industries or mines; the country is crowded; it has reached the point where an active impulse to go into navigation on a large scale always makes itself felt.

It was when France reached this stage of development that Colbert and Richelieu at different periods found themselves forced to do something to create a national merchant marine. England, in a similar stage of its national life, adopted the Navigation Act. Is there not already visible in this country the workings of an impulse such as moved France and England, and such as one would expect to see under the same circumstances?

II. The genius of a people affects its maritime activity extremely. The case of the Egyptians above cited is in part an illustration of

this. The easy life and profits of agriculture in a fertile region tend to keep a people away from navigation and industrial pursuits. This is because they can make more money with the same expenditure of labor. When, however, dazzling fortunes can be made in a commerce which sweeps past the doors of such a people, it is surprising not to find them leaving agriculture and going into active trade and navigation. The disadvantages of the Egyptians in reference to materials for boat-building were never greater than those of the Dutch, and there was every inducement for them to go into navigation. Yet they never could be induced to do it. The genius of the people was not favorable to it.

The dissimilarity of national traits has always had a marked influence. It has often been pointed out that an art-loving people cannot be expected to display energy in commerce and industry. The present eminence of the practical English is greatly due to the peculiar genius of the people. A roaming, restless disposition, a love of adventure, a jealousy of foreign participation in the affairs of the realm, and the spirit of traffic and industry, invariably impel in the direction of maritime enterprise. A people with such qualities will always demolish the obstacles to its navigation, and have its share of the carrying-trade of the world.

The Americans have inherited the best qualities of the English, and have made some improvements on the parent stock, we think, owing to the character of our political institutions, which stimulate greater personal effort and fruitfulness of mind. This may be expected to have an influence on the maritime destiny of the country.

III. Maritime activity is greatly affected by the possession of ocean-fisheries. A coast-people will always have boats if it has fisheries. It will also have able mariners. In every age the fisheries have been an original temptation to take to the sea, and an important qualification for engaging in general navigation on a comprehensive scale. The only races which have ever been eminent in shipping have fished from the beginning. In a national sense, the actual value of the cod, whales, herring, and other treasures taken from the bosom of the sea, has never been the principal source of blessing of large fisheries. Their chief utility has resided in the training of mariners, by teaching them to be constantly in their boats in stormy seas, and to voyage in all climates and in all parts of the world. They have always given a nation tars who could sail a ship well and make it last long, and were always ready to undertake the most daring and difficult enterprises. All other things being equal, that nation will be foremost on the sea which has the most abundant fisheries. Its progress will never be retarded by reason of the lack of competent seamen as long as it has whaling, cod, herring, and mackerel shipping. It may owe its progress entirely to the possession of a fleet of such vessels.

IV. Geographical location has always counted for something. To be in the centre, among a number of countries of widely-different productions, between which an exchange of commodities could be made to take place by establishing friendly relations, has been a characteristic of all the leading maritime nations. The flag of commercial empire has shifted from one place to another in the world, as the centre of civilization and settlement has shifted. To be in an out-of-the-way quarter of the earth is to be cut off from a great navigation. Iceland, Russia, Germany, and Canada, may have a considerable tonnage in the trade to adjoining coasts; no such nation can be first in the commerce of the world. It is only a region situated in the midst of great seas, and advantageously central in its age, that can in the long-run have the most ships and be supreme in commerce. While this has always been true in the past, it will be more so in the future, on account of the more general settlement of all parts of the earth. With respect to particular branches of commerce, nearness to important markets has an influence. Of two nations competing for trade and navigation to a great market, that one will in the end secure the larger share which is the nearest to it. In ancient days, Spain was one of the richest markets of the world. To the countries at the eastern end of the Mediterranean, it was a sort of Peru and United States in one. Phœnicia engrossed the extremely profitable trade to Spain at one time, but Carthage beat her entirely out of it in friendly competition, by reason of her greater nearness. There are many similar instances. This principle will probably be exemplified in time in the competition between the United States and Europe for the South American trade.

V. Another important point is the size of a country. The only permanent foundation upon which a merchant marine of any size can be built is a great population and a great surplus of native commodities. An extensive trade growing out of the wants and energies of a vast native population gives a country a superior position in navigation, if it chooses to take advantage of it. It is only necessary to secure that trade for native ships to create a vast marine. This is what made England the first maritime power of the world. Her large body of consumers and producers gave rise to an extensive trade. She simply diverted the larger part of this into vessels of her own nationality, in a characteristic manner, and gained the largest merchant-fleet in Europe, when before she almost had the smallest.

The sudden collapse of Italy, Portugal, and the Netherlands, in navigation, was precipitated by the lack of a home market sufficient to employ their shipping. Their carrying-trade was principally between other nations. A slight change in the currents of commerce left them utterly prostrate. There was nothing to fall back upon. When the distribution of East India products was taken away from the Dutch by

the capture of their principal islands by the English, they had ten times as much shipping as they then had any employment for. The needs of their home market would not sustain it. Their maritime prosperity vanished like a dream. The experience of Italy and Portugal was the same.

In this age, given the largest territory and the largest population, and the largest native navigation can be made to follow it.

VI. Maritime activity is greatly influenced by the cost of operating a ship. In the foreign trade, ships enter in this age into free competition with those of all other nations. Cheapness of operation is, therefore, indispensable.

Now, to secure this several things are essential. Foremost of all is to have skillful ship-builders. Nothing will compensate for the lack of able ships. From antiquity down, through the several ages when oars, sails, and steam, were the principal means of propulsion, a perfect command of the art of construction has been necessary. There have been many interesting illustrations of this. A good and fast ship is the cheapest to operate in the long-run, and this cannot be had without good builders.

Then there must be economy in construction. Costly ships cannot be operated against cheaper ships of the same class. To build cheaply, the first thing necessary is an abundance of building-material at home. The disadvantages of a lack of it have never been overcome by more than one nation. The Dutch imported their timber and fabrics for cordage, etc., for centuries. They were enabled to do it only by their remarkable frugality. All other nations which have imported their building-material have lost ground in the trade with the nation from which the importation took place. It is the emphatic lesson of history that successful ship-building can only go on in an age of free competition in regions where there is an abundance of good materials. Moderate wages for labor are also necessary. Wages constitute three-quarters at least of the cost of a ship, and a comparatively inexpensive vessel can coexist only with a scale of wages not greatly in excess of that of a rival nation. In America our builders have not found it fatal to pay wages somewhat in excess of those paid in England and France. American labor is more efficient and goes further. Our builders would rather have it, even if they have to pay more for it. Besides, much labor is saved here by the use of machinery. Less labor is done by hand. The principal iron-ship yards of the United States, scattered along the banks of the river Delaware, are equipped with devices for the saving of labor to an extent which has often excited the surprise and admiration of English builders who have visited them. American builders can pay ten per cent. better wages, and not be placed at a disadvantage by it. A greater difference than that would be a drag upon national maritime enterprise.

Then there must be a moderate rate of interest. Low interest is a great help to a navigating country. This is the uniform experience of Europe and the United States.

The wages of sailors must not be greatly in excess of those of other nations. With an energetic and inventive people like the Americans, wages may be somewhat more generous than with their rivals, without affecting the total cost of operation, because their sailors are better men; they make more voyages in the year; they wear a ship less; a fewer number of them are needed to man a ship. With first-class seamen, such as can be recruited from the fishing-towns of New England, a country can pay perhaps ten per cent. better wages and still hold its own. If the difference is twenty per cent., a people in this age might as well quit the sea. It will be driven off by competition if it does not go voluntarily.

It must not be forgotten that the predominant fact of navigation in this age is freedom. The sea has been cleared of pirates. Some of the merchant-ships sailing from New York Harbor for China still carry a few cannon as a measure of precaution, but the long battle against the freebooters has been substantially fought out, and ships are free to move about the world wheresoever they will. The old hampering regulations of European nations have also been overcome. A vast number of these regulations were once in force, and no ship was free to sail about the world and get a cargo wherever it could find it, and carry it to any place where it could sell it. The United States broke down that ancient system by her example in making a reciprocity treaty with Holland in 1782, the first of the kind in history, and by her policy in subsequent years. The United States gave to progress and civilization the gift of maritime reciprocity. The old regulations have been repealed through her influence, and ships are now substantially free to go from one country to another anywhere in the world. Their limitation to direct trade has been abandoned. This brings against the ships of any nation the free competition of the vessels of all other nations, in foreign trade. The merchants of the world being free to choose the ships that shall carry their goods, naturally select the ones which will carry them the cheapest. It is this which now makes cheapness of operation an indispensable condition to maritime prosperity.

VII. The final reason is a favorable policy on the part of the government.

This is a very important matter. If there were universal freedom of action throughout the world, and everything were left to private intelligence and enterprise, a governmental policy would not be needed by an energetic and happily-circumstanced people. But there is not now such freedom of action, and never has been. If one nation permits it, others do not and cannot be persuaded to permit it. The con-

sequence is, that the citizens of a nation like America often have to contend not only with the private enterprise of older lands—itsself a sufficient bar to their progress—but with the resources of wealthy foreign governments besides. In such cases private enterprise is powerless. Nothing can be done without a governmental policy to sustain the younger nation in the competition.

The above constitute the principal causes which affect maritime prosperity. If we look among them for the sources of the decay of American navigation, we will find that our decline cannot have been due to the lack of good seamen, to our geographical location, the genius of our people, or the lack of natural resources, good builders, and a commerce. The United States is well off in all these particulars. It may have been due to the ability of this country to employ its people profitably without building and navigating ships; to the high prices of labor, high interest, or foreign policy. As a matter of fact, it has been due to all four of these in varying degrees. The extent to which each of the four causes has operated, and is operative now, will be discussed in the following chapters.

III.

ENGLISH POLICY.

ONE of the most prolific sources of our maritime troubles is the course pursued by England for the benefit of her own marine. The study of it cannot fail to be profitable to Americans. A sketch of it is presented here. It will explain to us in great part our own misfortunes; and it will show how a people of the same race, language, and genius as ourselves, growing up under somewhat the same economic conditions, hampered by a too exclusive devotion to agriculture at home and by the powerful competition of rivals abroad, managed to make itself the first maritime power in the world. The policy of England cannot be imitated in all its details in this country, but a study of it will be extremely useful, for all that.

The story will be told from the English point of view.

The policy of England (to quote from David A. Wells) "is now, and always has been, framed solely and exclusively with reference to one object, viz., the promotion of supposed national self-interest—and has never had the slightest regard to the interest of any other nation, or to any arguments other than those based upon specific national wants and specific national experiences."

For the first six hundred years after the Conquest, England's maritime growth was slow. Agriculture was the principal interest. The population was scanty and poor. The island might have become densely settled early in its history, but the Government engaged in continual wars, leading to great destruction of life on land and sea, which the constant immigration from the mainland could not counteract. The lack of capital prevented the people from building ships to any extent. Encouraged by bounties and by trade, they did occasionally manage to create a little fleet, but this invariably proved a temptation to the king to go to war with somebody. The merchant-ships were impressed into the military service, and were not only thus diverted from legitimate navigation, but a large percentage of them were destroyed or captured by the enemy. Neutrals meantime gathered up the carrying-trade which the English neglected. So the kingdom was left both without ships and without the business by which it could secure the capital to build them. The Dutch, during the greater part of this period, engrossed nearly all the transportation of Europe, certainly nearly all in the north of it. They brought the bulky products of England and the north and south of Europe to their own ports, and then manufactured or warehoused them, and distributed them again all along the coasts from Russia to Egypt. Their only competitors were the Italians, but they steadily gained upon this ancient and active people, and, by the early part of the seventeenth century, had substantially beaten them out of the carrying-trade. They virtually monopolized all the important trade to England and to the English colonies in America. The English were only able to navigate at all by virtue of the creation of societies of merchants, to whom was given a monopoly of certain trades. The Dutch had 20,000 ships at sea, to 2,000 by the English.

The English had always deemed it proper to assert a political dominion of the sea. For two hundred years they had required the Dutch by treaty stipulation to strike the topsail and lower the flag in the presence of English men-of-war, a practice which they insisted upon down into the present century. In the seventeenth century it began to grow doubtful whether they could continue to enforce their claim. The Dutch had carried on for fifty years a war with the haughty empire of Spain, and had completely crushed its naval power. They now conceived the idea of making themselves masters of the colonies of that empire in America and Asia. In 1621 they incorporated a West India Company expressly to conquer Brazil and Peru; and in fifteen years they had sent 800 ships to America, captured 545 Spanish and Portuguese vessels, and taken Brazil, and in Asia had taken possession of all the important spice and other islands in the Indies. The Dutch, during that period, built 1,000 ships a year, it is said, to 100 that were needed to carry the native commodities of the Netherlands.

The English were irritated by the overshadowing activity of the Dutch. They could not build up their own marine under the existing state of things. They could not even control the trade to the colonies, and they were in danger of being laughed at for their declaration of a right to rule the seas. They were at the same time under the necessity of extending their commerce and providing new fields of employment for their labor, owing to a recent increase in population. The whole force of English policy was now turned toward repressing the Dutch, and developing the shipping of the king's own subjects.

UNDER THE NAVIGATION ACTS.

The first step taken was very much in the direction of an old law of 1381, passed by Parliament under Richard II., in response to complaints that foreigners were monopolizing the whole navigation of the kingdom. That law provided that "for increasing the shipping of England, of late much diminished, none of the king's subjects shall hereafter ship any merchandise, either outward or homeward, but only in ships of the king's subjects, on forfeiture of ships and merchandise ; in which ships also the greater part of the crews shall be the king's subjects." This appeared to be a short and simple method of securing the whole trade of England to English ships. The law was a very inconsiderate one at the time, because there was both a lack of native shipping and of capital to build it. Trade was accordingly hampered by it, and it was virtually repealed the following year, by an enactment permitting merchants to employ foreign vessels if there were none of English nationality to be had. It was always disregarded. In the seventeenth century the kingdom was richer, had more shipping, and was better able to adopt some such aggressive policy. In 1650, accordingly, under Cromwell, a law was passed excluding foreigners from the trade to the English colonies in all parts of the world. In 1651, after a careful study of the whole field of commerce, the law of the previous year was superseded by the Navigation Act. In 1660 the act was confirmed by the royal Parliament under Charles II., and made more stringent.

The Navigation Acts established four rules :

1. None except Englishmen should engage in the trade and navigation to the colonies of the kingdom. The ships were to be English-built, and manned by a crew whereof at least three-fourths were Englishmen.
 2. Europeans could trade to England only from their own ports.
 3. Exportation should take place from the colonies only to the mother-country.
 4. The coasting-trade was reserved to national vessels.
- The object of this law was well understood in Europe. It was

leveled directly at the Dutch, in favor of English shipping. When it was passed, nearly all the tobacco of Virginia and of other valuable produce of the colonies was being exported to the Netherlands from the colonies in Dutch ships, and was distributed to the rest of Europe from the Netherlands ports. The Dutch were enjoying the long voyages from all parts of Europe to their own harbors, and were limiting the English substantially to the short voyage across the Channel. This law was intended to overturn all this; and, while crowding the Dutch out of the long voyages from America and the distant countries in Europe to England, to secure those voyages to English shipping. Moreover, it was an encouragement to the various countries of Europe, whose foreign navigation was being largely engrossed by the Dutch, to build ships for themselves. In the trade to England, they would only have to contend with the high-priced English ships, and not, as formerly, with the low-priced Netherlands vessels. The law tended, therefore, to diffuse the shipping of the Continent more equally among the several powers and prevent its concentration in the hands of any one of them, and it did, in fact, have that effect. The export trade of England was left substantially free, except to the colonies. By giving native vessels a better position in the import trade, however, they were enabled to compete for and get their full share of the export trade, as was foreseen and intended.

England did not stop with passing the Navigation Act. She began a series of aggressions toward the Dutch, with the purpose of rendering their commerce at sea perilous and uncertain. In effect, she adopted the policy the Carthaginians pursued of capturing her rival's vessels and destroying them, and throwing the sailors into the sea, though she did not, in fact, throw the Dutchmen into the sea, but merely prevented large numbers of them from putting out to sea at all by her warfare and interferences. Two bloody wars took place in consequence of these aggressions. They were courted by England, and the Dutch were greatly weakened by them.

The policy of England was at first attended by some consequences which threatened to lessen its popularity. The cost of ships and freights advanced one-third. France in 1655 imposed a tax of fifty sols on all English shipping entering her ports. Other powers, before they saw what a benefit to them the Navigation Act would be, imposed similar taxes. By reason of the advance in freights, the kingdom was taxed hundreds of thousands of pounds annually, in order that a few English ship-owners might make a few thousand pounds of profit. The wars imposed a still heavier burden.

Parliament was sagacious enough to perceive that in a short time its policy would approve itself to the people. The policy was steadily persevered in. The end was as expected. In a few years, English

merchants only asked that the law might be made more stringent. It had given them a vast advantage in trade theretofore engrossed by the Dutch. In the importations from Europe and America, the Dutch had so overshadowed the natives that the latter had a very limited quantity of tonnage. The trade could now be carried on only in English vessels, or in those of the country from which the importation took place. The English, by fitting out ships the most promptly for the several trades, got the largest share of them immediately into their hands. They obtained a position in the Mediterranean, Spanish, north of Europe, and colonial trade, such as they never had enjoyed, and almost at a word. Shipping increased rapidly in consequence, and found profitable employment. It doubled in ten years, and again in ten years more. The change which took place in the navigation of the kingdom will be illustrated by a few figures showing the tonnage which cleared from her ports at various periods; it being understood that, previous to 1651, the largest share of the tonnage was foreign. The figures are from Anderson's "History of Commerce," and begin in 1663, from which year certainty of statistics dates. They are as follows :

YEAR.		British.	Foreign.	Total Tonnage.
1663-69	Average.....	95,366	47,684	142,900
1668		190,588	95,267	285,800
1700-1702	Average.....	278,698	48,685	317,328
1712		326,620	29,115	355,735
1726-28	Average.....	432,882	23,661	456,488
1760		471,241	102,787	578,978
1770		708,495	87,476	795,971
1774		798,864	65,192	864,156

There was a falling off of native shipping after 1774, owing to the independence of the American colonies. An enormous increase followed a little later, however, because England drove the Dutch out of the East Indies, in punishment for their aid to the United States during the war, and thereby secured a monopoly of that inexpressibly rich Eastern trade. In 1820 the United Kingdom owned 2,300,000 tons of shipping.

Macpherson says of the operations of the Navigation Act :

"We, by this Navigation Act, have gradually obtained a vast increase of shipping and mariners; for by patience and steadiness we have, in length of time, obtained the two ends of this ever-famous act, viz., the bringing our own people to build ships for carrying on such an extensive commerce as they did not have before. Sir Josiah Child was of the opinion that 'without this act we had not now (in 1668) been owners of one-half of the shipping or trade, nor should have employed one-half of the seamen we do at present;' so vast an alteration had this act brought about in a few years; insomuch that we are at length become, in a great measure, what the Dutch once were, i. e., the great carriers of Europe, more especially within the Mediterranean Sea. By this act we have absolutely excluded all other nations from any direct trade with our

American plantations; and were it not for this act, says that able author, we should see forty Dutch ships at our plantations for one of England. That before the passage of this act, and while our American colonies were but in childhood, the ships of other European nations, more especially the Dutch, resorted to our plantations both to lade and unlade; and their merchants and factors nestled themselves among our people there, which utterly frustrated the original intent of planting those colonies, viz., to be a benefit to their mother-country, to which they owed their being and protection; and it could not therefore be thought strange that when our planters were become able to stand on their own legs, and to supply considerable quantities of materials for exportation (as was now the case with Virginia for tobacco, and with Barbados for sugar, ginger, cotton, etc.), our Legislature thought it high time to secure to ourselves alone those increasing benefits, which had been produced at our sole charge and trouble. And in this respect Spain had long before set us a just and laudable example, since followed by other principal European nations who have planted in America. We may here also note that, till this act took place, the Dutch in a manner engrossed the whole trade of Sweden; whereas hereby our English ships have since got a share of the trade thither."

The first object of the law of 1650 was achieved in 100 years. After 1650, the Dutch ceased to carry several hundred cargoes a year to England, because those cargoes had previously been brought by them from regions which had little shipping of their own or none at all. The English instantly secured the carrying of the most of those cargoes because they had ships and shipyards, and the countries from which the cargoes were brought had not. The English drove the Dutch out of several important trades, and got the largest share of the business of which the Dutch were deprived themselves. The Dutch continually lost. Hundreds of their ships when worn out were not replaced. England continually gained. As commerce increased, protected by the operation of her law, she got the largest share of the new trade. She would not have had it without the law. By 1750 the Dutch had been crushed. Britannia was queen of the seas.

Up to the time of the independence of the American colonies, the act was of a good deal of service to the people in this country. It prevented freedom of trade with the Continent of Europe, but it protected them against the competition of Continental ships. They turned it to their advantage. They had an abundance of cheap building-materials. They were better off in this respect than the mother-country—a fact which is shown by the circumstance that, in 1703, England offered a bounty of £4 per ton of eight barrels of pitch and tar, £3 a ton for rosin and turpentine, £6 for hemp, and £1 for masts, yards, and bowsprits, imported to England from the American colonies, the bounty being designed primarily to give England cheap building-materials. The New-Englanders and New-Yorkers made good use of their abundant timber and the Navigation Act, and by the close of the Revolution-

ary War had created a considerable fleet of merchant-shipping, nearly enough for the trade of the country.

When the War for Independence was over, England foresaw the rise of a dangerous maritime rival in the New World. The objective point of her policy now changed from Europe to the new continent. From 1783 forward it was leveled steadily at a repression of the shipping of the American Republic. The Navigation Act was applied in all its rigor to the United States. The same policy exactly which had been pursued toward the Dutch was initiated in regard to America, only the result in the long-run was different, because the Americans were quite a different race of people. They were not tame-spirited. They were bold, daring, and aggressive, and when a national interest was attacked they were ready at a word to sacrifice life and ease to defend and uphold it.

English aggression began first by refusing to trade with the new republic. That was so clearly against the interests of the kingdom that the position was no sooner adopted than it was abandoned. A law was passed permitting trade, but putting it in the power of the king to suspend it at any moment, and for many years trade was legalized only by yearly proclamation of the king. Heavy taxes were levied on American vessels in the ports of the kingdom, and differential duties enforced against them. Americans were absolutely shut out of the ports of the British West Indies and the Canadas at first. At sea, the ships sailing under the flag of the young republic were searched continually for contraband goods and British sailors, and sailors were taken from them in large numbers, and the ships and goods captured. Down to the War of 1812 over 1,600 American ships had been captured at sea while engaged in the peaceful missions of legitimate trade. In British ports American ships were detained and harassed. This policy was pursued against remonstrances and counter-vailing duties in America, until it had made of the commercial ventures of the young republic a species of gambling operations. There was no guarantee whatever that any of her ships once sent to sea would ever be heard of again. British policy was successful for a while in giving the ships of the kingdom a good position in the trade to the United States. For nearly ten years after independence they had at least half of the business, and part of the time more. There was too much energy in the character of the people of the New World to submit to these regulations and interferences. They demanded the utmost liberty and security for their commerce at sea, and the right to trade to any port in the world with the government of which they were at peace. After exhausting the resources of negotiation and legislation, they went to war in 1812 in behalf of their commerce. They beat the mother-country in this war, and then followed it up with a de-

mand for reciprocity in trade to England and freedom of trade to her colonies.

This aggressive demand revealed to England that she had a very different antagonist from the Dutch to contend with, and brought her Government face to face with the question of the propriety of maintaining the integrity of the Navigation Acts and its warlike policy in view of the changed circumstances of the commerce and politics of the world. Open aggression was now abandoned, and England sought to gain her end by diplomacy. In regard to the question now before it, the Government was willing to agree to reciprocity in direct trade. No other course was left open, in fact, and it was believed that reciprocity would at least be attended with the employment of two sets of ships in the trade, and that Englishmen would have half of the trade, if they did not get it all. To admit the American Republic to the West India and Canada trade was a different matter. It could not be thought of under any circumstances if it would destroy the sale of British manufactures in those regions. If it would not affect the market for British goods, it still might be a dangerous precedent; and it would probably compel British ships to withdraw from the carrying-trade between the United States and the Canadas and Indies. The Government granted reciprocity at once in the treaty of peace of 1815, but hesitated long over the other branch of the subject. Finally, it was seen that British ships would be placed under disabilities in the United States unless the trade to the Canadas and Indies was opened to American goods. It was so opened in 1822. It was, however, immediately followed by a regulation which made it a grant of barren privileges. It was enacted that, if the goods imported to those colonies or to England should be brought from English warehouses in English ships, there should be a reduction of ten per cent. upon the duties, afterward twenty-five per cent. The object of this was quickly seen in its results. British ships loading in England with manufactures sailed with them to America, where they landed their goods and took on cargoes of American produce. Sailing thence to Canada, they put their cargoes into warehouses, actually sometimes, but more often nominally, and then went to the Indies or to England with their cargoes, where by reason of the differential duty they could dispose of them at rates which made it difficult if not impossible for the Americans to compete with them. Bounties were at the same time given for the exportation of English goods in English ships, which often more than paid the freight to America, and thus placed the vessels in a position to take return freights to England at an exceedingly low rate. The regulations of England in regard to the colonial trade were combated in the United States, and in 1825 England returned for a time to her rigidly exclusive policy, and forbade American vessels to enter her colonial ports on or near this continent

under penalty of forfeiture of goods and vessels. As this again proved to be a disadvantage to the colonies, the regulation was repealed in 1830, and complete reciprocity of trade was granted.

After the Peace of 1815 there was a period of twenty years of extreme depression to British shipping. The world had been exhausted by wars, and commercial depression was universal. But the British ship-owners had something more to contend with than that. It was the enormous increase of the merchant-shipping of the world. The tonnage of England had grown from 1,500,000 in 1789 to over 2,000,000 in 1815, and the tonnage of the United States had sprung up from 280,000 to 1,100,000 in the same period. There had been an increase of 1,300,000 tons of shipping in these two countries alone, and the efficiency of the merchant-fleets of the two countries was so great, by reason of improvements in hulls and the greater ability of sailors, that the increase might reasonably be rated as amounting in fact to a quarter more. Besides this, there had been a vast production of merchant-vessels in the north of Europe. The Baltic trade in timber, naval stores, etc., had grown very large, and the exporting countries of the north had been able to build ships so cheap that they were taking the business into their own hands, and supplying the large fleets required to carry it on. The Italians, Russians, and Austrians, had built large fleets also in the Mediterranean. Shipping, in fact, had increased faster than commerce, and the world was flooded with it. The British ship-owner had to contend with a lack of cargoes, therefore, to begin with, and then with his brother ship-owner in England, and with the cheap ships of other countries in the matter of rates of freight. Freight rates fell very low in this period of depression. In 1827 it was found that the British ship-owners were nearly all losing money. A large proportion of merchant-vessels of the kingdom were heavily mortgaged. Owners were beginning to allow their property to be broken up rather than operate it at a continual loss. Building received a check, and the merchant-fleet of the kingdom ran down from 24,776 keels in 1824 to 23,195 in 1827.

The situation was remarkably similar to that existing in the United States after the war of 1861-'65 for the preservation of the Union. What rendered it more grievous to Englishmen was exactly the same thing which made the maritime depression in America after 1865 so intolerable to Americans. It was the continual growth and prosperity of the principal rival of the country in maritime enterprise, and the fact that that growth was a large part of the cause of the depression experienced at home. America had made wonderful strides since her independence, and was now sailing the sea in trades where Englishmen could not, and was gradually expelling Englishmen from the whole of the trade to the New World. Two sets of ships were still used in that trade, but the American set was very large, and the British set hardly

worth mentioning. In 1827 \$145,000,000 of the commerce of the United States was carried on in American vessels, and only \$14,000,000 in all foreign vessels, the English only having a part of this very small share. Besides that, the Americans had nearly driven the British shipping out of the carrying-trade to the East Indies, whose ports England had been compelled to open to the vessels of the United States from motives of interest. The feeling which this condition of things produced in England can be understood from the following comments of the *London Times* in May, 1827:

"It is not our habit to sound the tocsin on light occasions, but we conceive it to be impossible to view the existing state of things in this country without more than apprehension and alarm. Twelve years of peace, and what is the situation of Great Britain? . . . The shipping interest, the cradle of our navy, is half ruined. Our commercial monopoly exists no longer; and thousands of our manufacturers are starving or seeking redemption in distant lands. . . . We have closed the Western Indies against America from feelings of commercial rivalry. Its active seamen have already engrossed an important branch of our carrying-trade to the Eastern Indies. . . . Her starred flag is now conspicuous on every sea, and will soon defy our thunder."

This state of things continued for many years. There were occasional symptoms of revival, but the depression continued with a persistence which augured ill for the future of British navigation. Ship-building was active in other countries, but in the United Kingdom it decreased from 1,719 vessels, with a tonnage of 205,000, in 1826, to 1,039 vessels, with a tonnage of 103,031, in 1831. Trade began to expand again, but the profits upon navigation continued to fall.

The situation became so serious that the British people awoke to the necessity of taking some decided action to bring about a change, to reorganize their whole commercial system if necessary. The first step was taken in 1833, in response to a petition of between four and five hundred ship-builders and merchants, praying that the Navigation Acts might be so amended as to permit Englishmen to build or buy ships in foreign countries. This proposed a startling innovation on British policy. Still it came from a class of men who, more than any others, were directly interested in the welfare of the national marine, and it received prompt attention.

England has never framed or altered an important policy without a mature consideration of all the facts of the case by men bred to public affairs, and qualified by long years of service to judge accurately as to the consequences of any special line of action. In the present instance Parliament ordered a thorough investigation of the whole subject of British trade, commerce, and navigation, as a necessary preliminary to any action whatever. Only in the light of all the facts could it be clearly seen what the needs of the national marine were, and what

change of policy would lift it once more to its feet and make it prosperous. Especial attention was given in this investigation, which was long and able, to the state of the manufactures, shipping, and trade, in other lands. The liveliest curiosity was manifested in regard to the United States, and everybody who knew anything about that country was impressed to give his testimony. From the testimony taken by this committee it appeared that it was almost the unanimous opinion among ship-owners that they had been injured by the acts of reciprocity of trade; and they gave their opinions on this subject with a manifestation of feeling which betrayed how they had suffered since 1815 better than the facts they recited. It was stated that several other countries enjoyed superior advantages with respect to ship-building. They had an abundance of material, while England was obliged to import. Vessels could be built for £8 a ton and less in Prussia, Denmark, and the north countries; for £11 a ton in France; and for from £10 to £12 in the United States; while in England the cost was from £15 to £18 a ton in the more favored localities, and £28 a ton in London. The operating expenses of other nations were also less. The ships of the north countries and of the Mediterranean sailed regularly at less than and sometimes at half the expense of English vessels, owing to the lower wages of the sailors, and their contentment with a poorer quality of provisions. Even the Americans, who paid their sailors first-class wages, were able to navigate at less expense, because, their men being more efficient, fewer of them were needed; and, besides that, the Americans had many labor-saving devices for managing the topsail, handling the anchor, etc., which also dispensed with men. These cheaper ships were carrying on a large independent commerce which interfered materially with the British ship-owners, and in the direct intercourse with England were compelling them to sail at rates which did not pay. In the trade to America, the ships of the United States now had monopolized five-sixths of the business. They not only obtained more freight but better prices for it, being paid $\frac{1}{8}$ of a penny more per pound on cotton. They were better ships. They sailed faster than English hulls, and were handled by men who could always make one more voyage a year with them than Englishmen were in the habit of making in the same class of vessels. They were insured better than English ships in England. The low freights were by some considered as not calculated entirely to be a disadvantage to England in the long-run. Besides their effect in stimulating commerce, which certainly had grown since freights broke down, they would be serviceable to England in reducing the cost of her ship-building materials.

The general result of this investigation was, to convince Parliament that the time had not yet come for any material alteration in the navigation laws, at least not for any of the sort described. If times were

dull in England, the proper remedy was not to take away more employment from the people by transferring the profitable and important business of ship-building to other lands; and it was seen that even if, by granting the petition of the builders and owners, cheaper ships could be gained to England, still the matter of wages of sailors and general expense of operating was left untouched thereby. The investigation opened the eyes of England more fully than ever before to the dangerous rivalry growing up against her. But it was believed that the state of British manufactures was such that the kingdom could yet hold its own after a general revival of business. Steam had now been thoroughly utilized in English factories, and these establishments were turning out a prodigious quantity of serviceable and cheap goods, for which there was already a world-wide distribution, and which would be sold in increasing quantities as fast as trade improved. English ships would certainly have a large share in this distribution. To South America, they would have almost a monopoly of it. The clouds seemed to scatter as Parliament studied the sky. At any rate, the emergency was not considered sufficient to amend the laws and permit vessels of foreign construction to fly the flag of England. An emergency would have to be dire indeed to permit English ships to be built in the United States. The owners and builders were left to work out their own salvation with the aid of the cheap materials supplied by the cheap freights, and of their own business skill and ability.

An expansion of trade taking place after the investigation of 1833, the conservatism of Parliament was justified. Shipping again became active, and building revived. In 1846 British tonnage had increased from 2,271,000 in 1833 to 3,200,000. When 1846 arrived, important changes had taken place in naval art, and new phases of the commerce of the world began to attract the attention of British legislators. The Navigation Acts were now felt by all to be a hindrance to British enterprise. They had fulfilled the purpose for which they were framed, and Britain had grown beyond them. An advantage could be gained over the United States by repealing them. It was a period of great agitation in England over the commercial laws. In 1847 another investigation was ordered of the state of British navigation. The committee that was appointed remained in session for a long time, and laid hold of every British statesman, builder, and merchant, and of every American trader and sea-captain, who knew anything that a Briton ought to understand, about the subject in view. The committee did not pay the slightest attention to the subject of steam-navigation and iron ships, which every Englishman was thinking of at that time, but devoted itself closely to discovering if British builders and owners would be injured by repealing the laws. It was discovered that they probably would not be, and the Navigation Acts were accordingly

repealed, as from the first day of January, 1850, the two hundredth year after the original enactment by the republicans under Cromwell, England let go of the registry, coasting-trade, and direct-trade laws, because she was virtually secure without them, and she wanted to grasp at something better. She herself now wanted to gain the very indirect trade against which she had been legislating for two centuries. She believed that she could drive the United States from the sea by securing it. She demanded at once of the United States and other countries the right to enter their ports in indirect trade, and, gaining this, at once put her shipping into fields of profitable employment, which had never been opened to it—particularly into that between the United States and South America. She was prepared also to push another policy, which might give her the absolute maritime supremacy of the whole world.

STEAM AND IRON.

Steamboats had been invented and employed early in the century, both in Europe and the United States. The Americans had made a marvelous use of the new agency; steamboats had been used on the Clyde since 1812. David Napier had in 1818 proved the practicability of using them in deep-sea navigation by building boats to run to Ireland. When the *Savannah* arrived in England from America in 1819, the kingdom received a great shock. The event was discussed in counting-rooms, clubs, and cabinet, and in the papers, and it was generally regarded as the most dangerous thing which had ever occurred in the history of British shipping. The Americans making no use of the new motive power on the Atlantic, however, the alarm subsided, but not the impression which it had produced. David Napier and others gave themselves up at once to studying the capacities of steam upon the sea. In 1824 four steamboats were established in the trade to Ireland from Liverpool. They were successful, and the British mind, quick as lightning to seize upon the new idea, at once took fire with the ambition to build steam-packets to run to every part of the globe. In 1825 there was a *furor* in England over the subject. In Liverpool a vast number of projects were formed, and companies organized, one of them having a capital of £600,000 to build and operate steamers in the ocean-service. This was fifteen years before the Americans or any other people had taken a practical step in the same direction. The minds of the projectors had, however, run in advance of the progress of invention. When a close calculation was made of the cost of steamers and the enormous quantities of coal the engines of that day would consume, there was a sudden cooling of enthusiasm. A reaction took place, during which it was confidently predicted that steam would never supersede sails upon the ocean; the largest vessel that could be built

would not carry coal enough to get the steamer to any distant part of the world.

The change in the current of feeling affected neither the builders nor the Government. The former are a class of men who in England and America have repeatedly attempted the seemingly impossible, and succeeded. It is to their vigor and originality that the success either country has won upon the sea is prominently due. The builders gave themselves up to studying the problem before them. The Government aided them by large orders for steam-vessels for the navy, by means of which machine-shops, yards, and tools, were created for producing merchant-vessels. England has earned from the rest of the world a thousand times over the public money thus invested in aid of the ship-builders. The Government also resolved to try a few experiments. Calculations were made as to the cost of steam and the amount of money which would be required to enable a company operating a line of steamers in any particular trade to pay expenses and a dividend. Contracts were advertised for and awarded to steamboat companies to run to the Isle of Man at £850 per annum, in 1833; at £17,000 per annum, to run to Rotterdam and Hamburg twice a week, in 1834; at £30,000 per annum, to run to Gibraltar weekly, in 1836.

These experiments were satisfactory to the Government. The crossing of the Atlantic was now conceived, and this important work was undertaken at once. In November, 1836, the Government advertised for proposals for mail service to America. One tender was put in by the Great Western Steamship Company, which offered to run to Halifax once a month at £45,000 a year. The company proposed to put into the service one steamer of 2,900 tons, to cost £40,000; another of 1,700 tons, to cost £60,000; and a third of medium size. It refused absolutely to run to New York, because, as its vessels expected to use sails half the time, and would go heavily loaded with coal, it was not believed that they could compete with the beautiful clipper-ships of New York City, which then had a monopoly of the mail and passenger business to that port, and almost a monopoly of the freighting. Another set of merchants organized under the name of the St. George Steam-Packet Company, and offered to go to Halifax once a month for £45,000, and to New York for £65,000. Neither of these offers promised to secure the object for which the Government had deliberately planned this service.

While the two proposals were pending, Samuel Cunard, who had an idea of his own, went to the Government privately and presented it. He represented that, by going once a week to New York in swift steamers, he could get the whole of the letters and passengers which were being carried by the American packet-ships, and that they would cease to carry them. The Government entertained his proposal, but did not

at first wish to involve itself too deeply in what it regarded as in some respects an experiment. Besides, to send the steamers to New York would be to encourage the growth of New York; and England had, from the foundation of the first colony in the New World, legislated steadily against the building up of a great commercial foreign emporium on the American Continent, of which she had a dread. It was arranged that Cunard should have a contract to go twice a month to Halifax and Boston, with an occasional steamer to Quebec. He was to have £60,000 for the service. Sir Charles Wood, then Chancellor of the Exchequer, and Sir Francis Baring, afterward First Lord of the Admiralty, went into a series of elaborate calculations with Cunard as to the expense of the undertaking and the probabilities of success. The result was the offer named. Cunard built his steamers, and began the service July 4, 1840. His ships being larger than the contract required, the compensation was soon increased to £90,000, £5,000 being taken off afterward on the discontinuance of the occasional voyage to Quebec. Thus England had seized upon the American idea and turned it against her, backing it up by a governmental policy as protective as was ever evolved from her councils. Her example was not lost upon the United States. This republic, which left so much to private enterprise in that age, and did so little to help it, at length discovered the purpose of the British Government, and, under the spur of alarm, decided to act. Two companies were formed in New York to send steamers to Europe, and the Government was solicited to give them a contract. Learning of this, Cunard immediately went to England and laid the facts before the Government. After a great deal of consultation it was agreed that the time had come to carry out the original purpose of the contract. Cunard was authorized to run once a week to Halifax, and thence alternately to New York and Boston. A subsidy of £145,000 was voted to him for the purpose, or more than double the amount of the original contract. The new plan went into operation immediately, and when the rival American line finally started, and began to compete with Cunard, the Government legislated in favor of the latter by taxing letters which came by the American line twenty-four cents more postage apiece than when sent by Cunard's steamers. This discrimination was abandoned upon the passage of a retaliatory law in America, but Cunard was still left with the protection of a subsidy twice as large as that enjoyed by Collins.

It having been fairly demonstrated by the Cunard line that steam was available for the purpose of navigation to distant lands, England entered at once upon colossal schemes for putting steamers into all ocean-trades. The rest of the world seemed asleep on the subject. France and America were the only countries in which there was anything doing; but they did not act with vigor, and England was left to

pursue her schemes of maritime enterprise almost without a rival. In 1840 a subsidy of £37,000 was given for carrying the mails on from Gibraltar to Alexandria; in 1845 the service was extended to China and Japan, for £160,000. In 1840 the sum of £240,000 was voted to a company of responsible and eminent merchants in London to run steamers to the West Indies, Mexico, and the Isthmus; and in 1858 this company had twenty first-class steamers in the business, and was receiving £270,000 a year.

In 1849, and again in 1853, the Government directed thorough investigations of the steam-packet service, in order to determine how the new policy was working, and the amount of pay which steamers ought to receive. It went steadily ahead with its operations, which were proved to be working out marvelous results for the benefit of England. Money was advanced to merchants to build steamers, and a paying contract given to them when the ships were built. Old contracts were renewed as fast as they expired, with the same or larger pay, and to run ten years at a time. Every possible inducement was offered, to stimulate the building and operation of steam-vessels; and the result was that, in 1858, when the American competition broke down, and the United States was left with only seven steam-vessels in all its foreign trade, England had one hundred and twenty, plying to the extremities of the earth. She was at that time paying \$5,000,000 a year in subsidies, and getting it nearly all back again in ocean-postages alone. Postages were high in those days, and the Government made several millions upon the Cunard contract alone. How frequently her expenditures came back to her in other ways we need hardly stop to say. England's ocean steam-tonnage of 1,470,000 in 1876 is the fruit of her policy in aiding her ship-builders and steamship companies to take advantage of the great opportunity which opened up before them forty years ago. England still pays \$3,800,000 a year in subsidies.

Now, with reference to iron. In 1787 a canal-boat of 32 tons burden was built in England, with an iron hull and wooden frame. It was regarded as a great curiosity in mechanical art. The whole boat only weighed eight tons. Another boat was built soon after, and both were employed on the canal from Birmingham. This style of craft became very popular, and from 1800 to 1810 they were built in large numbers. They were not so expensive, compared with wood, when the art of making them had been mastered, because timber was dear in England, and coal and iron were cheap, and the boats outlived those of wood. In 1820 the principle was applied to the building of steamers, which class of vessels required a stiff frame and hull. Sir Charles Napier went into the business. The first boat was sent to France. Afterward others were built for English use. In 1834 John Laird was regularly building iron vessels, and in 1839 had launched two steamers of

570 and 660 tons burden, of iron, which afterward took part in the Chinese War in 1842.

The Government aided in the development of the means to build these vessels by ordering iron ships for the navy. It was seen that, if the new material should turn out to be as valuable as the first experiments with it gave promise, England would at last have gained a superior position in regard to building-materials. France and the Netherlands had no iron of any account. America had mines, but they were not developed, and finished iron was costly there. There was plenty of the metal in the north of Europe, but such were England's advantages in the way of development that, if iron was to be applied extensively to the construction of hulls, it only needed that the peculiar machinery for producing ship-iron should be created speedily in order to place England ahead of the world in the matter. The orders of the Government for navy-vessels enabled the principal builders to supply themselves with all the tools, machinery, and appliances, for building merchant-vessels of iron on a large scale. So judicious and timely was this aid that iron-ship building became at once a feature of the manufactures of England, and the business was practised there alone in Europe for many years. In the course of twenty-five years after Laird began, iron hulls had been thoroughly tested and found to be satisfactory in an eminent degree. They were stiffer than timber hulls, required less repairs, and accommodated so much more cargo, that an iron ship of 600 tons burden was scarcely larger than a 500-ton timber ship, and in 1857 were ten per cent. cheaper than the latter class of vessels. A remarkable incident in 1857 confirmed their value to the English. The *Persia*, of the Cunard line, encountered ice in mid-ocean while going at full speed. Her iron hull, stiff and sharp, split the ice and went through it unharmed. The *Pacific*, of the Collins line, a wooden steamer, meeting with ice on the same voyage, was broken up by it and went down. The ability and economy of the iron ships soon made them the favorite style of vessel among English merchants. A large proportion of the ship-owners have since 1840 supplied themselves with them.

France and the United States both began to build iron vessels, stimulated by the example of England. Both gave up the experiment after a short trial. England had the cheapest materials. After 1860 the whole business of constructing iron hulls returned to the British Isles, where for ten or twelve years a substantial monopoly of it was enjoyed.

The superior cheapness of iron vessels, and the preference they secured for a time in trade, owing to their speed and low expenses of operation, have been an advantage to the English merchant marine, and to-day it comprises one-third of the sailing-tonnage of the world. Surely, 20,300 ships, with a tonnage of 5,800,300, are something to boast of.

It has already been stated that the policy of England has been steadily directed to crushing out the competition of the United States. The cap-stone of her efforts in this direction was her course during our civil war. She did not dare to take an active part in our national quarrel, as she would have done gladly had it been certain that she would not have been molested by European powers ; but she had recourse to an almost equally effective plan, which will be described more at length in the chapter on "American Annals." She fitted out powerful men-of-war to cruise against us, and she had the satisfaction of seeing our supremacy receive a dreadful blow. It was the modern way of serving us as she had served the Dutch in an earlier age. Its object was gained by its removing the last obstacle to her temporary maritime greatness.

IV.

THE POLICY OF OTHER GOVERNMENTS.

As far as it affects the navigation of the United States unfavorably, the case may be summed up briefly:

France imitated the example of England in granting subsidies to steamship companies to ply in the trade of the Mediterranean and the American Continent. Her first company was the Messageries Impériales, formed to trade to the Levant and all Mediterranean countries. It was liberally compensated by the Government, and in 1858 had fifty steamships in the service. In 1858 contracts were offered as follows : \$620,000 a year for twenty-six voyages between Havre and New York, or about \$23,000 a voyage ; \$940,000 a year for service to Brazil ; \$1,300,000 for steamers to the West Indies and Mexico : in all, about \$2,800,000. The General Transatlantic Company was formed to undertake the American service. The Messageries Impériales secured the Brazilian contract. In 1870 France paid \$4,732,267 to her ocean-mail lines, and in 1876 was paying 23,388,892 francs, or something like \$4,800,000. Two of these lines are a direct obstacle to American navigation—the one between New York and Havre, and the one to Brazil.

Austria and Italy both granted mail contracts to ocean-lines. These, however, have not come into direct competition with American ships, except in the Mediterranean. In that sea, the policy of those two countries has been very much in the way of American enterprise.

Spain refused us reciprocity the longest of any country in the world, and paid the Compagnie Gautier \$25,000 a voyage to ply semi-monthly

between Cadiz and the West Indies. She has always interfered with our ships in the West Indian trade, and does so occasionally now.

Brazil did not grant us maritime reciprocity until 1867. She invites all nations to her coasting and river trades; but has subsidized a number of native and British steam lines for those trades, which virtually excludes us from them. She pays \$1,706,000 in subsidies annually, \$96,000 of it having until recently been paid to a British line running to New York. The policy of Brazil is at present friendly to the United States in intention, an exhibition of which is the grant of a subsidy of \$100,000 to an American line to ply between Rio Janeiro and New York.

China is pursuing a policy of wonderful energy. Five years ago she resolved to take the carriage of commodities along her coasts into her own hands. Foreigners were then operating a large number of steamers in that immense trade; and they had nearly ruined the owners of the native junks by depriving them of employment. Americans had steamers in the same trade. The Chinese Merchants' Steamship Company was organized, and the Government gave them 1,000,000 taels to build their vessels with, and then gave them a monopoly of the transportation of government grain on the rivers and along the coasts. The foreign companies were ruined by this new concern, and the Shanghai Steam Navigation Company, after a short fight, sold out to it bodily. The Chinese have finally secured the whole of the coasting trade of their great empire. The startling statement is now made that China has subsidized a line of steamers to run to the Sandwich Islands, and that the line is to be extended to the United States immediately. This looks like certain death to the China branch of the Pacific Mail Line, unless the United States shall sustain that line promptly.

There appears to be no prominent government in the world which, while legislating directly in favor of native shipping, does not give it financial support, except the United States.

V.

AMERICAN ANNALS.

THE history of American navigation can most profitably be considered by dividing it into periods. It is difficult to suggest an exact division of the subject, but the following will do for practical purposes: 1. The time down to 1815, comprehending the period of struggle to obtain security for our shipping on the high-seas; 2. From 1815 to

1850, which formed the era of establishment of reciprocity ; 3. The period of steam and iron.

During the first period our navigation was explicitly a national question. During the second it gradually ceased to be. The third is the period of decadence, our shipping having been left to its own resources, the regulation in regard to registry and the coasting-trade being the only thing which saved it from extinction.

OUR EARLY NAVIGATION.

The first vessels built on our shores were for the fisheries and coasting-trade, but principally for the fisheries. The people were poor, and had to pay for their vessels in grain, calicoes, and similar commodities.

The fisheries were very profitable. They had attracted attention in Europe at a very early period, and large numbers of vessels went out to America for no other purpose than to visit the fishing-banks. A voyage generally yielded from £3,000 to £4,000 profit. The consequence was, that as early as 1660 there were often as many as six hundred sail from Europe on the banks at one time. The New-Englanders went into this business at once. Ship-builders were sent out to them from London in 1631, and they fitted out a large number of vessels of very respectable size for that age, some of them being of three hundred tons burden, and put them at once into the fisheries, and subsequently into trade.

The New England colonies had very little transatlantic trade of their own until shortly before the Revolution, but they supplied the principal part of the colonial shipping which went into the transatlantic commerce of the other portions of the coast. The Navigation Act protected them against the Dutch, and their abundance of timber and naval stores, and frugal habits, enabled them to compete for the carrying-trade with the mother-country. A very fair share of the fish, tobacco, rice, timber, and hides of this country, were sent to England in our own shipping. At the time of the Revolution we owned nearly half of the tonnage employed.

Besides this transatlantic trade, the shipping of the early colonies was employed somewhat in trading to the Spanish West Indies. This was against the law. It was in contravention both of English and Spanish policy. It was, however, the principal resource of the colonists in obtaining a supply of silver for ready money, and they carried it on in spite of its illegality and dangers. The enforcement of restrictions upon the freedom of our navigation to the Spanish colonies and to the different ports of Europe was one cause of the Revolution.

During the Revolutionary War, navigation received a check, but the building-art improved. Nearly all the ships built for the foreign

trade were privateers, made for strength and speed, and carrying an armament of guns. The loss of our shipping in that war was very great, for, able as were our sailors, the cannon of the English were superior to ours, and their ships generally larger and stronger as well as more numerous. Mr. Currier, the historian of ship-building on the Merrimac, tells how twenty-two gallant vessels sailed from Newburyport alone during that period, which, with the thousand men on board of them, were never heard of again. But this very superiority of the royal navy in weight of metal and size of ships was the most direct and powerful stimulus to our native builders, and they began to produce excellent vessels, which, before the war was over, attracted attention even in Europe.

John Adams, in a letter to Senator Varnum, gave an illustration of this. He said: "In June, 1779, I dined with M. Thevenôt, intendant of the navy at l'Orient, certainly one of the most experienced, best read, and most scientific naval commanders in Europe. That excellent officer said to me in the hearing of the Chevalier de la Luzerne, M. Marbois, and twenty officers of the French Navy, 'Your country is about to become the first naval power in the world.' My answer was: 'It is impossible to foresee what may happen a hundred or two or three hundred years hence; but there is at present no appearance or probability of any great maritime power in America for a long time to come.' 'Hundred years!' said Thevenôt; 'it will not be twenty years before you will be a match for any maritime power of Europe.' 'You surprise me, sir; I have no suspicion or conception of any such great things; will you allow me to ask your reasons for such an opinion?' 'My reasons,' said M. Thevenôt—'my reasons are very obvious; you have all the materials, and the knowledge and skill to employ them. You have timber, hemp, tar, and iron; seamen and naval architects equal to any in the world.' 'I know we have oak, and pine, and iron, and we may have hemp, but I did not know our shipwrights were equal to yours in Europe.' 'The frigate in which you came here,' said M. Thevenôt (the Alliance, Captain Landais), 'is equal to any in Europe. I have examined her, and I assure you there is not in the king's service, nor in the English Navy, a frigate more perfect and complete in materials and workmanship.' Other incidents could be cited to show that, even before this country had obtained its independence, the building-art had so improved here as to make American ships respected everywhere for their speed, strength, and beauty, and to excite the liveliest anticipations as to the future of this republic in navigation. Building revived after the Revolution. It is not known what the tonnage was at that time. It could hardly have exceeded 100,000 tons, if it was as much as that. The facts do not appear in the colonial records, and the national Government had no control over the registry of shipping until after the

adoption of the Constitution. The prominent fact was the preponderance of European bottoms in the foreign trade. In 1789 the registration was 123,893 tons in the foreign trade ; 68,607 in the coasting-trade ; and 9,062 in the fisheries ; and there were still 100,000 tons of foreign shipping in the external commerce.

In the commercial intercourse of the world prior to the struggle for American independence, there had been little in the nature of equitable dealing by one nation toward the vessels of another trading to its ports. The colonists in America had been made to feel the burdensomeness of this, and one of the principles they fought to establish during the war was the freedom of commerce and entire reciprocity in the intercourse of nations. In 1778 Franklin negotiated a treaty with Holland which gave expression to this principle, by providing for putting the ships of both nations on a footing of exact reciprocity in the ports of each other. It was with some difficulty that the treaty was obtained, because, liberal-spirited as were the Dutchmen, political consequences were involved in it from which they shrank. It was consummated at length, however, and was signed by John Adams in 1782. Holland lost a great deal by this act of friendliness to the American Republic, because England went to war with her on account of it, took from her the most valuable of her East India possessions, and crippled her commerce, as a punishment for countenancing rebellious colonies. The Americans gained little by it at the time, it may also be said, because, while it established a principle, England took care to interrupt our commerce with the Netherlands, so that it should be of no practical benefit to us for many years. It was useful afterward, but not then. After the treaty of peace the United States proposed a treaty of reciprocity in commerce to England. Negotiations were delayed for several years, to enable the king's counselors to study the situation carefully. It was then refused. England believed that, by applying the Navigation Act rigidly to the case of the United States, supplementing it with discriminating tonnage duties, she could get the carrying-trade to this continent entirely into her own hands. So far from conceding to this young and poor republic what she had refused to the richest monarchies of Europe, and which was obviously to her disadvantage, she adopted a policy toward us even more severe than to the European governments. Our representatives labored for some time in London to bring about a favorable arrangement, but every negotiation ended in failure. In 1785 John Adams wrote home indignantly to the Government: "This being the state of things, you may depend upon it the commerce of America will have no relief at present, nor in my opinion ever, until the United States shall have generally passed navigation acts; and, if this measure is not adopted, we shall be derided when we suffer more and more, and our calamities be laughed at." Some

of the colonies immediately complied with this suggestion. They found, however, that this drove trade to the other colonies. The situation became embarrassing both to business interests and to national pride.

The first Congress under the Constitution met in April, 1789. It gave its attention immediately to shipping. Revenue was the uppermost object of legislation, but protection to navigation and industry was also explicitly aimed at. Within two days after the meeting of Congress, Mr. Madison had brought into the House bills for duties upon imports and tonnage, both of which legislated directly in behalf of American interests. Shipping at that time needed little if anything more, in the way of protection, than a law which would place it on a par with foreign vessels in transatlantic and coasting trade with reference to taxes and port charges. Our vessels were cheaper than those of England, France, and Spain. They were of equally good models, and were sailed by better seamen. Only an equality in regard to taxation was required to enable our shipping to play a creditable part in the operations of a rapidly-rising and valuable commerce. It did not have to wait for what it wanted. The spirit of the hour was protection to American interests against foreign policy, and it was resolved that there should be no half-way work about it. Mr. Madison, though a free-trader himself, proposed the protective legislation looking directly to the building up of our navigation. There was some debate on his bills, in which the general indifference of agricultural States to the shipping business was illustrated, though temperately, by the remarks of Southern representatives, who feared that their part of the Union would bear most of the burden of the new duties; but there was no opposition to the protective principle, and the third law of Congress was an act imposing discriminating duties in favor of American tonnage.

This law, signed July 20, 1789, provided that, on each entry from a foreign port, American ships should be taxed six cents a ton; vessels built upon our shores but owned abroad, thirty cents a ton; foreign ships fifty cents a ton. American ships in the coasting-trade and fisheries were to pay the tax of six cents per ton once a year only, while foreign ships were to pay a tax of fifty cents on each entry, which was virtually a prohibition of those trades to foreign flags. By the second law of the same Congress it was provided that, from the duties on all goods imported in American vessels, there should be a discount of ten per cent. A regulation in favor of the national flag was also made with reference to the China and India trade, which gave that valuable business entirely into our hands. A schedule of discriminating duties was fixed upon as follows :

IMPORTS.	U. S. Vessels coming direct.	U. S. Vessels from Europe.	Foreign Vessels.
Bohea, per pound.....	.06	.08	.15
Black teas, per pound.....	.10	.13	.22
Hyson teas.....	.20	.26	.45
Other green teas, per pound.....	.12	.16	.27

On all other goods from India and China there was to be $12\frac{1}{2}$ per cent. *ad valorem* if imported in foreign vessels, but no duty if imported in American vessels.

This legislation did not stop with putting a tax upon European bottoms in our ports equal to the charges imposed upon our ships in Europe. It went further than that, in fact and in intention. It proposed to give Americans a decided preference in their own commerce over foreigners, of whatever nationality, and to extend an inducement to Europeans to buy our ships ; thus giving explicit protection and encouragement to ship-building. The laws would have been made more stringent yet, had there been a sufficient supply of national tonnage to insure the rapid and convenient exportation of our rice, tobacco, grain, timber, and other produce, without recourse to the services of foreigners. A moderate effort was made to have the tax on foreign ships placed higher than fifty cents. The possibility of this being an inconvenience to Virginia, which had few ships, but did have a vast surplus of agricultural produce, deterred Congress from adopting the more radical policy until the effect of the experimental schedule of taxes could be observed.

It was not supposed in Europe that the United States would act with such vigor. With little wealth except the produce of her farms, and no means of obtaining an abundance of manufactured goods at moderate prices, except by exporting the surplus tobacco, rice, grain, and forestry produce of the country, the United States was depended upon to pursue a passive policy, and, at any rate, not to strike back in such spirited retaliation. The passage of the tonnage and duty acts imperiled the employment of 200,000 tons of foreign shipping, which, according to current estimates, was then trading to these shores. The laws which placed this tonnage under disabilities would probably compel its withdrawal in the course of two or three years, unless something was done to counteract their effect. The passage of the laws, therefore, created an extraordinary sensation in Europe, especially in the mother-country. There the policy of the United States was regarded simply in the light of retaliation. There was in consequence, at first, a truly British disposition to go on and adopt a harsher policy than ever toward the new republic. Our representatives abroad, however, found that on the whole prudence got the better of feeling, and it induced the powers to lend a more favorable ear to our applications for commercial treaties. Negotiation now became possible where before it was refused. It took

several years to effect anything practical at any of the courts, but when it was finally observed that American vessels were being built in large numbers under the protection of the national laws, and that the new flag was beginning to crowd European shipping in European ports, the Old World yielded to our requests. A treaty was secured from England in November, 1794, from Spain in October, 1795, and from France in 1800. We already had a good one with the Netherlands, dated in 1782. Our first victory was won.

These treaties were not entirely satisfactory, however, because they did not guarantee full equality of tonnage and other duties between American ships and those of other foreign nations. They left room for the imposition of heavy discriminations against us. The treaty with England only opened the West India trade to a very limited extent, and to vessels of not over seventy tons burden, and it was expressly stipulated that this arrangement should end within two years after the war in which England was then engaged. The best that could be said of the negotiations was that they opened the East India trade fully, and secured some sort of recognition for our flag on the seas, and paved the way for future more equitable arrangements.

The Navigation Act was revised in 1790, and the discriminations therein contained made permanent. They continue in force to the present day, except where suspended by the operation of reciprocity laws and treaties. Their effect on this country after their enactment was remarkable. Ship-building revived spontaneously all along the coast. In less than five years, tonnage enough had been produced to enable us to carry on the larger part of our commerce in our own vessels. By 1800, enterprise had been so stimulated by protection that seven-eighths of the imports and exports of the country were being transported under the American flag. The China and India trade was ours exclusively. A large number of vessels were being built for foreigners, the sales from 1798 to 1812 being 197,000 tons, a large amount for those times. Our flag became the most aggressive in peaceful commerce. Secure in the protection of our laws, our merchants pushed their enterprises farther and farther, every year, against all opposition, and entered upon the present century a class of prosperous men, and full of confident anticipations for the future. Shipping had increased in tonnage as follows :

YEARS.	Registered for Foreign Trade.	Coasting-Trade.	Fisheries.
1789	133,898	68,607	9,062
1795	539,470	164,795	84,102 .
1800	669,921	245,295	80,078
1805	749,841	301,866	58,363

In March, 1804, Congress levied an additional tonnage duty of fifty cents on all foreign shipping for light money. A few Southern men

had previously asked for a repeal of all tonnage duties. They were willing to abandon navigation, to secure a repeal of the duties on tobacco in Europe. Public policy was decidedly against giving up the profitable industries of ship-building and navigation, and an additional tax was levied as stated. Commerce was bringing to us capital and prosperity.

One of the annoyances to which our vessels were subjected in these times was the searching of them by English cruisers for the seamen of that nationality who had gone into our merchant-service. A large number of those mariners, seeking to better their condition, had engaged themselves to our captains. It was a maxim with England, "Once a subject always a subject." She asserted the right to impress a citizen-seaman, wherever found, for the purposes of the king's navy; and this was made a pretext for delaying American ships, and taking from them 6,257 of their men. This was a great injury to our commerce. Remonstrances were made against it, but were of no avail. One of the measures taken to guard against this interference was the arming of our merchant-vessels with cannon. In 1805, however, Congress forbade armed vessels to sail from our ports unless specially permitted, it being the desire of the Government to carry its point with England by peaceful negotiation.

In April, 1806, a non-importation act was passed in Congress by immense majorities designed to give weight to our applications for an abolition of this practice of search and impressment. England paid no attention to our demands. On the contrary, the fact that it annoyed and injured us was to her a reason for persisting in it. A further interference with our commerce took place by her blockade of the coast of France and the Netherlands, as a war measure against those powers. It will be recollected that France retaliated in 1806 in the Berlin Decree by forbidding all commerce with England; that the latter adopted orders in council forbidding commerce with France and the Netherlands; and that Napoleon then published the Milan Decree in 1807, in furtherance of his previous proclamation. Both of these jealous powers now began an active interference with American ships, while pursuing their peaceful voyages upon the high-seas, which continued for five years, with greater or less severity. Over 1,660 of our ships, worth millions of dollars, were captured, and either condemned with their cargoes or else compelled to suffer loss by detention. Others were thrown out of their course, and forced to run into neutral harbors for protection. They were delayed in port, searched at sea, and seized even at the mouths of our own harbors. Against this reckless aggression the United States protested in vain. The Embargo Act of December 22, 1807, was finally passed in retaliation; and another, January 10, 1809, to make the first more effectual. March 1, 1809, commerce with England and France

was forbidden by the Non-intercourse Act. The quarrel in Europe was something we had nothing to do with, and we looked with impatience on the disastrous interferences with our commerce and navigation, for which it was made a pretext. There was only one sentiment in this country on this subject. In May, 1810, France announced the repeal of the Berlin and Milan Decrees, and a slight relief was granted to our shipping. Great Britain did nothing. The orders in council remained in force. It was denied that the French decrees were extinct, and they were made the excuse for a continuance of the exasperating policy, which, whatever the plausible explanation of it, aimed only at an extinction of the maritime power of America, and the maritime aggrandizement of England.

The War of 1812 was the consequence. This was purely a commercial war. Its object was liberty of navigation and the rights of citizenship. It proposed to protect an important national interest against a foreign policy which left no room for honorable competition, but employed only the arts of force and injustice. This costly war was a dreadful tax upon our young republic. It involved an expense of \$150,000,000. It made double duties necessary. It cost us thousands of lives, and millions of property on land and sea. It left us with a business crisis and financial collapse upon our hands. Prof. Sumner, who scoffs at the idea of being governed in these matters by the sentiment of nationality, speaks of this war as a piece of folly and imbecility. Without it, however, we should have been destroyed as a commercial power. Shipping had in two years declined 250,000 tons. Merchants were ruined by the losses of their property and goods at sea and in foreign ports. Working-men were out of employment. Agricultural production was checked. The discriminating duties of Europe were in force in all their rigor. Without a vigorous assertion of our rights and nationality we should have been left in the condition of a commercial and industrial vassal of England, and have been the laughing-stock of the world. With the war, American nationality gained the respect of the whole world, and our shipping a glorious prestige and leading position. The boast of England—

“The winds and seas are Britain’s wide domain,
And not a sail but by *permission* spreads”—

which, though here expressed only in a poetical trifle, was the assertion of a claim which no other nation could endure with self-respect, was chastised. Dominion upon the seas was overthrown so effectually that England never again dared to reassert it. Reciprocity, and liberty, and security of navigation, within a few years were made sure by it, and the shackles with which England had sought to restrain our maritime expansion, for thirty-two years, were shattered to atoms. In July,

1815, England conceded to us a commercial treaty in which equality of port charges and tonnage and other duties were provided for, and the shipping of each power placed on a footing with the most favored nations in each other's ports. Some sly attempts at evasion were afterward made by England, but they were promptly met by us, and reciprocity was soon carried out to the letter.

During the war ship-building was badly depressed. The yards were not entirely deserted, it is true, for Congress having an inadequate navy permitted private citizens to send out privateers. The construction of these gave considerable employment to the builders. A number of armed merchant-vessels for regular trade were also built by those who had the capital and were willing to risk it. Shipping decreased steadily, however, until the declaration of peace. Our total tonnage was 1,385,000 in 1810. On January 1, 1815, it was 1,028,000. The captures of the war, large as they were, did not check the decadence of our tonnage. The captures in the three years amounted to more than 2,300 vessels, but our privateers destroyed many of these at sea, and 750 were retaken, and we in turn lost 1,407 of our own merchant-vessels and fishing-boats, so that the balance was only slightly in our favor. The hostilities of the eight years following 1806 performed only one important service for our shipping. It improved the already fine models of our vessels immensely. Speed became an important element. Special study was given to that branch of the subject, and we came out of the war in 1815 with a fleet of the ablest vessels in the world.

At the outbreak of hostilities, an additional tax of \$1.50 was placed upon foreign tonnage until the declaration of peace. This was continued until January 4, 1817. On that day a law was passed restoring the duties of 1789.

THE ESTABLISHMENT OF RECIPROCITY.

We now enter upon a period extending down to 1850, which was one of uninterrupted growth and prosperity. It is here designated as the era of the establishment of reciprocity.

Absolute equality of duties in the direct trade was essential to the growth of our merchant marine. We never obtained it until after the War of 1812. Neither did we obtain the right to trade to any country from countries other than our own until after the same point of time. The United States demanded both of these things, and now devoted its efforts to obtaining them. The first step was the law of March 3, 1815, in regard to equalizing tonnage and import duties. This law enacted:

"That so much of the several acts, imposing duties on the tonnage of ships and vessels, and on goods, wares, and merchandise, imported into the United States, as impose a discriminating duty on tonnage, between foreign vessels and

vessels of the United States, and between goods imported into the United States in foreign vessels and vessels of the United States, be, and the same are hereby repealed, so far as the same respect the produce or manufacture of the nation to which such foreign ships or vessels may belong. Such repeal to take effect in favor of any foreign nation whenever the President of the United States shall be satisfied that the discriminating or countervailing duties of such foreign nation, so far as they operate to the disadvantage of the United States, have been abolished."

This was a warning and an invitation to all the nations of the world. It applied both to France and the Continental nations which conceded to us equality in theory but denied it in important respects in practice, and to England which until then denied it to us every way. The treaty with England of the following July was the first fruit of this enactment.

The next step was an important law passed in March, 1817, which substantially reenacted the navigation laws of England, and made various regulations for the promotion of our shipping. The law provided:

"That, after the thirtieth day of September next, no goods, wares, or merchandise, shall be imported into the United States from any foreign port or place except in vessels of the United States, or in such foreign vessels as truly and wholly belong to the citizens or subjects of that country of which the goods are the growth, production, or manufacture, or from which such goods can only be, or most usually are, first shipped for transportation. Provided, nevertheless, that this regulation shall not extend to the vessels of any foreign nation which has not adopted and which shall not adopt a similar regulation."

The coasting-trade was reserved exclusively to Americans. An encouragement to employ native mariners was given by a section taxing ships in the foreign trade fifty cents a ton unless two-thirds of the officers and crew were Americans. This law cut off England from the triangular trade to Brazil and the Indies, thence to the United States, and thence home, and reserved it to the United States, but offered to open it to England and the world upon the concession of general reciprocity to us. Another law was passed in May, 1828, offering still more explicitly to the nations of the world, to admit them to our ports on equal terms with our own citizens, provided that our citizens should be admitted to theirs on similar terms. It was a full, frank, fair offer of reciprocity. It proposed to put commerce upon the high plane of fraternity among nations, and leave all the victories within that field of action to the intelligence and enterprise of the different peoples of the world.

These offers were, however, fifty years in advance of the times, and the United States had many struggles to secure the object of them. England took about the same view of the matter, no doubt very properly for her, as we, very properly for us, have since then taken of her offer of free trade to all the world. However beneficial a free commerce might have been in quickening the civilization of the age, it would not

have been at all advantageous to England, because the United States had such natural advantages that she would have beaten England out of her carrying-trade. The same was true in regard to France. Accordingly, those two nations tried to circumvent us and defeat our policy in many ways. England first closed the West India trade to us outright. Then, when by reason of a law we passed in 1818, forbidding British ships to enter our harbors from ports to which we were not allowed to trade, she was forced to permit us to enter her West India ports, she adopted regulations intended to injure us in another way. She ordained that goods of American production—naming the most important of them—if imported to England or her colonies from British warehouses, should pay a lower duty than when coming from the United States direct. The object was to secure the importation of our produce to England and the colonies from the Canadas in British ships, confining our ships to the short voyages to Canada. France conceded to us equality in tonnage-dues and light money, but she discriminated against us in another way. She had a large number of vessels trading to New Orleans and other Southern ports. She provided that, upon goods coming to France in those ships, the duty should be less than in other cases by $1\frac{1}{2}$ cent a pound on tobacco, $1\frac{1}{2}$ cent a pound on cotton, and $\frac{5}{100}$ of a cent per hundred-weight on potash. This actually more than paid the freight. An American ship of 300 tons tobacco-laden would have to pay \$6,300 more duty than its French competitor.

The United States acted promptly in retaliation. In 1820 a duty of \$18 a ton was levied on French vessels, and British ships were forbidden to enter our ports from any colony of England on or near this continent. In both cases our rivals were brought to reason. Matters were arranged with France by treaty in 1822, and the British orders in council were amended. In 1830 a permanent arrangement was made with England.

Our struggles were so successful that, within fifteen years after the Peace of 1815, reciprocity in direct trade had been secured with all the principal trading nations of the world. General reciprocity had been gained with Russia, Sweden, Norway, Prussia, Denmark, and Austria. England conceded general reciprocity in 1849. Since then every other nation of any account not theretofore in treaty with us has followed her example.

Our legislation in behalf of our shipping was timely, and attended with the happiest results. With the restoration of peace, commerce expanded in an extraordinary manner. From a total of \$270,000,000 in 1815 it rose to \$480,000,000 in 1836. Travel and immigration grew from 20,000 a year before the war to 75,000 within twenty years after it, and in twenty years more to 300,000. The mails became very heavy between this country and Europe. In 1850, the ocean traffic and travel

of the United States gave employment to 2,335,000 tons of shipping. The total tonnage entering and clearing from our ports in 1850 was 8,000,000.

In this brilliant story of expansion the United States marine would probably have played a passive part except for our protective laws and aggressive policy.

The causes which operated to our advantage during this period may be briefly summed up as follows :

1. A widening field of commerce and equality of competition within it, owing to the operation of our reciprocity laws and treaties.

2. The United States ships cheaper and abler than those English-built. There was a constant difference in prices in favor of the United States. In 1824 a 300-ton ship would cost from £4,500 to £5,000 in this country, from £5,500 to £6,000 in Canada, and from £6,000 to £6,500 in England. In 1847 a 500-ton vessel would cost £7,500 here, against £8,750 in England, for the same grade of construction. In the north of Europe only were ships as cheap as in the United States, but those ships did not compete with ours. In twenty-five years after the peace, the United States sold 340,000 tons of shipping to foreigners. There was a good demand on account of the low cost and the excellence of the vessels. Our ships in that period made four voyages a year where the English and Dutch craft made three, and five where they made four. Our packet-ships were displaying a speed which toward the close of this period caused people to believe that they would never be superseded by steamers. They made from 200 to 275 miles a day in a fair wind. They have even made 300 miles a day, the average of transoceanic steamer speed. Our builders fixed their standard very high, and continually strove to excel it.

The testimony of all witnesses taken during this period by the committees of Parliament, who were appointed to ascertain what was the matter with British navigation, which was going into a decline, was unanimous in regard to the superiority of American ships. This testimony also went to show that high wages did not prevent the American ship from sailing more cheaply than its English competitor. A London ship-builder and owner, engaged in extensive trade to all parts of the world, made a statement of the facts, which the testimony of other witnesses corroborated, as follows :

VESSELS.	Cost of Ship.	Cost of a Year's Voyage.	Amount of Wages.
English ship of 500 tons.....	£8,750	£2,628	£786
American ship of 500 tons.....	7,250	2,191	669

3. American mariners were the best in the world. The larger proportion of these men received their training in the whale and other

fisheries. They were largely of New England origin. They combined with the discipline of long and rough voyages the energy and adaptability of the American character. They loved their art, and were proud of the exploits of their ships. The country was proud of them. Those who lived during the War of 1812 received a special education in the privateering of that period, and went back into the peaceful merchant-service at its close the most capable tars in the world. The country is indebted to them for the special maritime task which devolved upon our nautical world just after that war. England renewed the struggle for commercial superiority at once, and fitted out a large number of superior ships, manned by her best men, to go into the American trade. For one year she got one-third of the carrying-trade. We were not prepared to meet her prompt enterprise. But the United States replied to her movement by building a larger and better class of ships than we had ever employed before, and put upon them the flower of the mariners of 1812. In three years more, these able men had handled their vessels so well, making such flying trips across the Atlantic, delivering their cargoes in such admirable condition, and serving their masters so well, that they had reduced England's proportion of the trade to one-sixth. In 1850 England's proportion was still only one-fourth. This was as much due to the character of our mariners as to any other cause. They were well paid, temperate, ready, efficient men. They took good care of the ship; they got it into and out of port with a surprising saving of time; they saved it from wreck under circumstances which would have insured its destruction if it was in less capable hands; and they served their masters and the public in a way that gave their flag the preference in all trade into which it could be lawfully put. Our sailors were very temperate, a point which was brought out in a report to Parliament in 1838 on temperance in the navy, from which it may not be inappropriate to quote. The committee said that "the happiest effects have resulted from the experiments tried in the American navy and merchant-service to do without spirituous liquors as an habitual article of daily use, there being at present more than 1,000 sail of American vessels traversing all the seas of the world in every climate, without the use of spirits by their officers and crews, and being, in consequence of this change, in so much greater a state of efficiency and safety than other vessels not adopting this regulation, that the public insurance companies in America make a return of five per cent. of the premium of insurance on vessels completing their voyages without the use of spirits, while the example of British ships, sailing from Liverpool on the same plan, has been productive of the greatest benefit to ship-owners, underwriters, merchants, officers, and crews."

4. The establishment of the packet-lines to Europe. Into these lines were put the finest and fastest of our ships. They were the mail

and passenger boats of those days, and they carried large quantities of freight besides. They made the run across the Atlantic in an average of less than twenty days, which was three or four days faster than the time of the English vessels in the same trade. The regularity of their departure was found to be an advantage by American buyers, who therefore insured the goods in this country, stipulating that they should come by packet. The packets accordingly soon came to monopolize all the valuable business between this country and the principal ports of Europe, and European ships were beaten out of it.

5. An exclusion of foreign flags from our coasting-trade and fisheries. After the war there was a great increase in the coasting-trade, especially about 1831. The productiveness of the South began to supply an enormous quantity of rice, tobacco, cotton, etc., for exportation. A large demand for these commodities for local consumption sprang up in the North, as in that part of the country the conveniences had been created both for their manufacture on a large scale for general home and for foreign consumption, and for dispatching them abroad, either in a raw or manufactured state. A heavy movement of Southern products accordingly took place along the coast, a return-current of domestic and foreign manufactures flowing back by the same route to pay for them. After 1830 the carrying-trade had grown so large that ships and brigs began to be put into it where before schooners and sloops only had been employed. After 1846 another increase of the trade took place consequent upon the settlement of California and the discovery of gold there. The greater part of this trade had to be carried on for several years by means of the long voyages around Cape Horn, and it gave employment accordingly to a class of vessels which soon came to rank in this country with the East Indiamen in England, being the largest and most powerful in the national marine. Such was the growth in this general department of our maritime activity that a trade which in 1812 found work for 500,000 tons of shipping only, employed in 1850 1,900,000 tons, and, to anticipate this story a little, 2,800,000 in 1871. Our ship-masters found the coasting-trade useful to them in their international voyages. It enabled them to make combinations of voyages in the intercourse with Europe and Asia. A foreign ship was compelled to sail from one part of our coast to another in search of a cargo empty. A national ship might carry a load of native goods, which placed it in a position to compete powerfully with foreign ships in the port of entry for the carrying-trade across the sea.

6. The aggressive policy of our Government. Aware of the superiority of our advantages for transacting the carrying-trade of the world, a constant effort was made to break down the foreign regulations that kept our shipping out of particular fields of employment. A jealous watch was kept upon the policy of other countries, and our

representatives abroad were continually pressing for an abandonment of all rules of intercourse which shackled in any way a general liberty of navigation. Interferences with our ships were promptly resented and chastised. In the last century the pirates of the Mediterranean and of the Chinese seas respected only one flag besides their own. That was the Cross of St. George, and British ships accordingly had a decided preference in the general trade to those seas. That preference was destroyed by the appearance of American ships in those seas. Several conflicts with pirates took place, and in every instance a severe lesson was taught to those who had interfered with our navigation. Our flag accordingly came to be respected in every part of the world, and the security of the commerce it protected guaranteed. The English complained after 1830 that they had lost their former preference in the Mediterranean on this account.

The result of all these causes was an increase of American shipping as follows :

DATE.	Registered for Foreign Trade.	Enrolled for Coasting-Trade, etc.	Licensed.
January 1, 1815.....	674,682	388,198	16,458
July 1, 1850.....	1,585,711	1,899,555	50,188

The proportion of the foreign trade of the country transacted in native and foreign vessels, in 1821, the earliest day when we have exact statistics, and in 1850 was as follows :

DATE.	American Vessels.	Foreign Vessels.
1821	\$118,200,000	\$14,858,000
1850	289,272,000	90,764,000

Three-fourths of the cotton export went in our vessels, and we got better pay for the service. All the mails and passengers, and a vast majority of the immigrants, were transported under our flag. The British whale-fisheries were almost extinct, while the Americans had over 700 ships and 17,000 seamen actively employed in that field. While ship-building stagnated in England, and owners were losing money, building was active here, and owners had many exceedingly prosperous years. From 1820 to 1850 this country built 3,900,000 tons of shipping. In 1831 \$5,000 was often paid for a ship over and above the contract price when she was completed, property was increasing so rapidly in value. In 1840 many vessels repaid their original cost in freight-money. The interest was rich, prosperous, aggressive, and public expectation on both sides of the Atlantic would not have been disappointed had America become in twenty-five years the leading maritime nation of the world. It was already only second. Why it

did not reach the first position will be explained by the events of the third period.

THE DECADENCE OF OUR MARINE.

Now for the period of the decadence of American navigation. Tracing things down to the bottom, the causes of the decline of our shipping may be stated to be as follows :

1. The temporary decline of national feeling in this country.
2. The policy of foreign nations—of England preëminently—but of other nations also who imitated her in an important respect.
3. The backwardness of the development of our iron-mines.
4. The high prices of the last fifteen years.
5. The discovery of petroleum.

The operation of these causes will be discovered in what took place in regard to the employment of steamships for the Atlantic and Pacific trades, the building of iron vessels, the decay of the whaling-fleet, and the destruction of our merchant-shipping during the War of 1861.

Before proceeding to a consideration of these subjects, it might be well to say that several things took place in and after 1850 which were of great advantage to our shipping for the time being, and would have contributed greatly to our attainment of maritime preëminence, had they not been offset by the greater influences above referred to. They were the repeal of the British Corn Laws, which increased the exports of this country enormously, they rising \$50,000,000 in the single year from 1850 to 1851. Another was the Crimean War in 1854, which caused the withdrawal of a great deal of British steam and other shipping from the Atlantic trade. Another was the unprecedented immigration of 2,598,000 people in the ten years after 1850. It was by reason of the operation of these and the other favorable causes continuing from the preceding period that American tonnage increased from 1850 to 1861 from 3,530,000 to 5,350,000. It ought, however, to have grown more, to have kept pace with the age. It speedily became less.

The first check to our navigation arose out of the apathy of the people in regard to nourishing the employment of steam in transatlantic commerce. Steam was first applied in this country to the navigation of the rivers to which it was well adapted. A class of large and beautiful boats was constructed for river-service, and so rapidly did trade increase upon the great streams of the country that, as a result of it, the steam-tonnage of the Mississippi Valley in 1847 alone exceeded that of the whole British Empire. And, indeed, it is believed, and is so reported at Washington, that the steam-tonnage of the United States to-day still equals if it does not considerably exceed that of the

empire referred to. The steamboat played a great part in the development of this country, and it was not only employed upon the rivers and lakes, but upon the coasts. By 1840, lines of serviceable boats were plying between all the principal commercial cities of the Atlantic seaboard. This country not only led the way in the utilization of steam for propulsion, but it was the first to attempt the passage of the Atlantic with paddle-wheels. The voyage of the *Savannah* in 1819 is famous. She ran from the port of that name to Liverpool in twenty-two days, steaming fourteen days, and advertised in Europe the mission of the American people, which is to conquer the elements of Nature and render them submissive to man. The electrical effect of this adventure upon the English mind has already been noted. It is surprising to observe how little was thought of it in this country. Twenty-two days—why, that was no faster than the American packet-ships! People dismissed the matter from their minds. They supposed that steamers would never be of particular value in deep-sea navigation. The *Savannah* returned, landed her machinery, and went back to sails.

It was not until 1838 that popular interest in the subject revived to any extent. In that year two English steamers, the *Sirius* and the *Great Western*, enterprisingly attempted the crossing of the Atlantic, and steamed into the harbor of New York almost together. This event gave as great a shock to the public mind here as England had experienced in 1819. The subject of steam now secured the attention it deserved in commercial and political circles. A short examination of what England was doing sufficed to create a feeling of alarm among public men, who regarded the aggressive policy of our rival as a menace to our maritime prosperity, and saw the necessity of prompt action to counteract it. The subject came before Congress in 1841, and was a prominent feature in the debates of every succeeding session down to the outbreak of the civil war.

The idea of framing a policy in regard to ocean steam-navigation was taken up by Congress at first in the largest and most patriotic spirit. The ablest and most ardent advocates of it were Mr. King, of Georgia, and Mr. Rush, of Texas, whose section was purely agricultural, and which felt the least interest, therefore, in adopting any policy which would increase the taxation of the people. It was seen from the beginning that this Government could meet the new and dangerous competition which was springing up against its foreign navigation only by authorizing companies of merchants to build vessels to carry the mails to Europe, and by paying them a sum of money sufficient to enable them to meet their expenses and hold their own against the foreign lines. No part of the republic shrank from this at the time, particularly as it was seen that another important interest could be secured by encouraging private citizens to build able steamers, namely, national de-

fense, for the steamers would at all times be available for the navy. Sentiment was generally favorable to it, and there was very little delay in making a practical reply to England's attack upon our maritime prosperity.

The plan proposed by Mr. King in 1841 was, to appropriate \$1,000,000 annually for the transportation of the foreign mails. For this sum of money, it was believed that there could be secured a line of four steamers from Boston to Havre to accommodate the growing commerce and immigration over that route; a line of four steamers from New York to Liverpool to contest the ground with the Cunard steamers; a line of three vessels from Norfolk to the West Indies; and another of three from New Orleans to the same islands. This plan was unfortunately not carried out. In 1845, however, the Postmaster-General was authorized to go ahead and contract for ocean-service in steamers wherever the public interests required it, leaving it to him to decide upon the routes and ports of the several lines. Under this law he contracted with Edward Mills for four ships and twenty trips a year from New York to Bremen and Havre, for \$400,000; and with E. K. Collins & Co. for four ships and twenty trips from New York to Liverpool, for \$385,000. Contracts were also made for service from New York to New Orleans and the Isthmus of Panama, and from Panama to California and Oregon, for \$489,600. Congress approved these contracts, and advanced part of the money upon them to assist in building the ships. It was stipulated that their hulls should be strong enough for war purposes. Service began on the Bremen line with one ship in July, 1847; on the line to California in 1848; and on the line to Liverpool in 1850 with two ships, two more being added within a year. By 1851 we had three steamships trading to Bremen and Havre, and four to Liverpool, under the pay of the Government—and our reply to England had been made.

The United States entered the field against the aristocratic Government of England with true republican deliberation, but her ships once put into the trade established their superiority within two years. The Bremen steamers were no better, perhaps, than those of the English lines, but the Collins ships were marvels of naval construction, and surpassed their competitors of the Cunard line in every point. Collins entered upon his contract with the distinct purpose of restoring the prestige of our navigation to Europe, which had been shaken by ten years of delay in utilizing the new motive power of steam. It had been said in England that we could not build ocean-steamers. His contract called for ships of 2,000 tons burden. This was larger than the Cunard ships, which averaged 1,200 and 1,500 tons; but, not content with fulfilling the letter of the contract, he built four ships of 3,250 tons burden, at a cost of \$2,900,000, and in 1855 built one of 5,000 tons

burden, at a cost of \$1,100,000. Speed, beauty, style, and excellence of passenger accommodations, were aimed at, and the first four ships each had besides cargo-room for 1,000 tons of freight. The exploits of these ships amazed both our own countrymen and the merchants of England. They made the run across the Atlantic in ten days (the average of trips at the present time), against thirteen days by the Cunarders. The ships were without superiors in the world, and they gave great strength for a time to the Government policy of a vigorous support to navigation. This policy had able and patriotic advocates in Congress at that time from all parts of the country.

In 1850 lines from the Western coast to China, and from the Eastern to Africa, were proposed, and a line was started to run from Charleston to Havana, under a pay of \$50,000 a year. Generous support was given to Collins, whose pay was increased in 1852 to \$858,000 a year. In that year the Government was expending \$1,840,000 in subsidies, namely: For the service to Liverpool, \$858,000; from New York to Charleston, Havana, and New Orleans, \$290,000; Panama and Oregon service, \$348,250; to Bremen and Havre, \$294,000; Charleston and Havana, \$50,000.

Our policy, however, did not go far enough. Good such as it was, it stopped short of the point where the greatest good would have been gained. It never got beyond the preliminary stage of a few experiments. The English Government was doing better. It had begun earlier, and was acting more energetically. It was paying a single line, that to the West Indies and the Isthmus, nearly as much as we were sustaining all our lines with. It gave that company \$1,350,000 a year. A great error was committed in not acting soon enough to save our packet-business to England. The Cunard steamers had now secured nearly all the valuable part of that business. We had only the share of it which one small line of steamers could secure; and as for our sailing-packets they were being bankrupted and withdrawn. A worse than the original error was, however, now about to be committed, namely, the abandonment of all support to our rising steam-navigation to Europe. Private enterprise was to be left unaided to meet the powerful competition of the capital and governmental backing of England.

The agricultural interests of the United States appeared in Congress in 1853, and demanded a cancellation of the contracts. Debate began in the session of 1853-'54, upon a proposition to reduce the compensation of Collins. It was continued through several succeeding years, the whole policy of protection to steam-navigation undergoing a thorough and protracted discussion, and being, at times, the leading topic before Congress. The opposition to the subsidy system came chiefly from the South. The politicians of that section had become predominant in

politics, and the interest they represented was dictating the whole policy of the Government on economical questions. An abolition of the protective tariff had been conceded to it years before, among other things. Jefferson Davis and Judah P. Benjamin were active advocates of an abandonment of the carrying-trade of the Atlantic to British hands, and hardly a voice was lifted in opposition to them from the agricultural States. Mr. Clingman, of North Carolina, proposed that an attempt should be made to induce England to abandon the subsidy system—a suggestion at the same time hopeless and absurd. The arguments of the Congressmen from the agricultural States were supplemented in 1855 by offers from the North-German Lloyd Company, which had begun to run steamers from Hamburg, and by Mr. Vanderbilt, who had two or three steamers for which he wished to find employment, to carry the mails at reduced rates. Whether political designs controlled in any degree the action of the representatives who proposed an abandonment of the American transatlantic marine to the severity of foreign competition, it would not be patriotic to attempt to say. But it is certain that the debates of that decade, on maritime and all other subjects, indicate that national sentiment had decayed in this republic, and that the agricultural interest cared far less for the glory and prosperity of the American people than for the promotion of its individual ends. There was nothing in this, perhaps, peculiar to the American agriculturists. The same phenomenon appears in the history of all the governments of the world. It was no less a fact, however, that the too exclusive devotion of the country in this period to agriculture caused an abandonment of the public-spirited policy of 1845 with reference to steam-navigation.

The compensation of Collins was reduced in 1856 to \$385,000. The contract was canceled by failure of renewal in 1857. The steamers were then withdrawn and sold to the Pacific Mail Company for the coasting-trade. In 1857 the Bremen and Havre contracts also expired. The former service went into the hands of Mr. Vanderbilt. The latter was continued by Mr. Livingston, with his two splendid 2,600-ton ships, which he could not withdraw from the trade, for there was no other to put them into; which, however, he continued to operate after this at a loss. A policy conceived with the highest motives, in 1845, which had in ten years given us the finest steamers upon the sea, which we were abundantly able to carry on, and in which every laudable motive of public policy operated to induce us to persevere, was abandoned after a short and feeble trial. The worst of it was that our tardy and vacillating action had caused the Europeans to put into our trade the steamers which we refused to encourage the building of ourselves. Our withdrawal of support to Atlantic steam-navigation left us in 1858 with five steamers only, of 11,000 tons burden, trading to European

ports. The Europeans had thirty-one steamers, of 57,000 tons burden, trading to the United States, namely :

LINES.	SERVICE.	Number.	Tonnage.
Cunard.....	Liverpool, New York, and Boston.....	12	16,800
European and American Steamship Co..	Bremen, Antwerp, Southampton, N. Y.	4	10,000
Liverpool, Philadelphia, and New York.	Liverpool and New York.....	4	8,700
Glasgow and New York.....	Glasgow and New York.....	8	6,200
Belgian Transatlantic.....	Antwerp and New York.....	4	8,500
Hamburg and American.....	Hamburg and New York.....	4	7,500

The United States had in all only 52 ocean-steamers afloat in all its foreign and coasting trade, of a tonnage of 71,000. England had 156 steamers, of 210,000 tons burden, and the rest of Europe 130 steamers, of a tonnage of 150,000. England was paying \$5,330,000 in subsidies, and France had just offered \$2,800,000 for the service to various parts of America alone. It may be remembered that England still pays in subsidies to steamers the sum of \$3,800,000 annually in gold.

Before any other effective cause came into play, the United States had abandoned the struggle for superiority upon the sea in the only class of vessels in which the bulk of the commerce of the world was thenceforward to be carried on. It had made a present of its foreign carrying-trade to Europe. The gift was accepted as fast as ships could be built to take advantage of it. The change which took place immediately will be illustrated by comparing the proportion of the commerce of the country transacted in American and foreign ships before and after 1858, as follows :

YEARS.	IMPORTS.		EXPORTS.	
	American Vessels.	Foreign Vessels.	American Vessels.	Foreign Vessels.
1855.....	\$202,284,000	\$59,228,000	\$208,250,000	\$71,905,000
1856.....	249,972,000	64,667,000	232,295,000	94,668,000
1857.....	259,118,000	101,773,000	251,214,000	111,745,000
1858.....	208,700,000	78,918,000	243,490,000	81,144,000
1859.....	216,122,000	122,644,000	249,617,000	107,171,000
1860.....	223,164,000	184,001,000	279,084,000	121,088,000

The increase in foreign vessels was from 24 per cent. of the whole to 33 per cent. After the War of 1861 broke out a complete revolution took place. The United States persisted in its passive policy, the rest of the world in an aggressive policy. The results of all this, as far as the commerce of the United States is concerned, may be seen in the following statement for the year ending June 30, 1877 :

YEAR.	IMPORTS.		EXPORTS.	
	American Vessels.	Foreign Vessels.	American Vessels.	Foreign Vessels.
1877.....	\$151,826,000	\$329,565,000	\$164,526,000	\$520,854,000

Americans actually carried less than sixteen years ago, when the total commerce was only half as large, and they had only 27 per cent. of the whole !

The United States made no further efforts in behalf of its steam marine after 1858 until 1865, when a contract for \$500,000 was given to the Pacific Mail Company for carrying the mails to China and Japan, and another to a New York line to carry the mails between that port and Brazil for \$150,000. Both contracts were terminated at the end of ten years. The latter line being unable to maintain itself with the old-fashioned steamers it then had against those of more modern construction put by English merchants into the same trade, withdrew from the business. Five private efforts have since been made from Atlantic ports, but four were failures. The United States finds itself to-day without a policy in regard to foreign navigation ; with only three steam lines to transoceanic ports, two of which barely keep alive, and the third of which maintains itself only by reason of the Australian subsidy ; with a marine diminished 1,000,000 tons since 1860 ; and with nothing in the world to preserve its shipping from total extinction, except the regulation in regard to registration and the coasting-trade and the efforts of a handful of able and enterprising ship-builders.

The United States lost in this matter of steam not only by failing to create a steam marine of her own, but by allowing another power to create an agency which took business away from American sailing-craft.

In order to save a paltry million or two to the public Treasury for the time being, it had subjected its shipping in the foreign trade to ruin, thrown thousands of its people out of employment, and brought upon the country a tax of more than \$20,000,000 a year for freight and passenger-money paid to foreigners. It is fortunate for the United States that the agricultural South and West, which are responsible for these evils, are themselves now demanding a government policy for the revival of American shipping.

Before passing on from this branch of the subject, allusion may properly be made to the policy of England toward this country during the War of 1861. The unhappy conflict in this republic presented an important opportunity to commercial nations in the Old World, whose conduct was guided sufficiently by a regardless self-interest to permit them to take advantage of it. England actively promoted the attempt to bring about a division of the country with a view to secure an enlarged sale of her manufactures in the Southern States, and at the same time she put in operation the means of bringing about a great destruction of our shipping and a diversion of its carrying-trade. The war itself was a great calamity to navigation by reason of the fact that a republic like this, which does not care to support a large armed navy, can

only engage in naval operations by making a draft upon its merchant-shipping; and in the present case there were 1,175,000 tons of our sailing-craft and steamers diverted from legitimate trade and employed in the service of the Government. This was not, however, so severe a blow to our shipping as the arming of Confederate cruisers in British ports, and the sending them out to prey upon our commerce. In the former case, at least a million of tonnage had been thrown out of employment in the coasting-trade by the prevalence of war. In the latter case, our shipping, engaged in profitable and peaceful navigation of the high-seas, was interfered with, captured, destroyed, and finally compelled to withdraw from trade, because there was too much insecurity in commerce under the American flag, and merchants gave their business in large part to the vessels of other nationalities. The cruisers destroyed only about 104,000 tons of shipping, but they threw hundreds of thousands more out of business. The English profited the most by this, as they intended to. They supplied nearly all the ships needed for our trade, doubling their ship-building from 208,000 tons in 1861 to 462,000 in 1864, and forcing themselves into our commerce against our own crippled and helpless navigation, until to-day the harbor of New York flutters with British flags, and little resembles the principal commercial emporium of a great independent republic. Philadelphia is to-day the only great port on our seaboard that even looks like an American possession, and even there the foreigner also predominates in trade.

The second great cause of our maritime decline is found in the facts in regard to the iron-industry. The United States is by Nature better qualified for the production of cheap iron of the best quality than England. It has an inexhaustible abundance of the metal and of coal, and the mines are more conveniently situated for getting out both materials with a minimum of labor. The lack of capital here prevented a general utilization of our iron-mines, however, for a long period, and, when they did begin to be productive to any extent, it became impossible to obtain the iron in a manufactured state as cheaply as the manufacturers in England could produce it, owing to a great variety of causes. The high tariff of 1842, the free-trade tariff of 1846, the demand for railway-material, and the high tariff of 1861, each operated to put this country for a time at a disadvantage in regard to iron-production.

Iron ship-building was practised to a considerable extent here before 1842. It began about 1825, when a steamboat called the *Codorus* was constructed, a light-draught affair, intended to run on the Susquehanna River. This boat was subsequently sent South to run on some of the rivers of that region. Several others were built in the North along through the next twenty years, some of them on the Hudson. One, launched in 1834, was employed on the Savannah River, where in 1843

five iron steamers were being actively employed. These boats sustained snagging wonderfully. In 1838 an iron steamboat called the Valley Forge was built at Pittsburg, to run as a packet between Nashville and New Orleans. She was a light, fast boat, and had other admirable qualities, among them being that of rigidity of hull which fitted her well for Western navigation. She was run until 1845, when, the trade of the West having grown beyond her capacity, she was dismantled and made up into nails and spikes. Iron steam lines began also to be used on the coast. One ran between Hartford and Philadelphia in 1842.

The rise in the price of iron at different periods, and the increase of trade which required the construction of a new and larger class of vessels, checked the use of iron hulls in this country. We had the skill to build them, but the disproportion between their cost and that of wooden vessels became too great.

After 1861 iron became so dear in this country that its use for anything except the armor of men-of-war was impossible ; and for more than ten years the construction of iron merchant-craft was entirely suspended. The tariff of 1861, however, brought about an extensive development of iron-mines. How well that tariff has done its work, and how much this country owes to it, need hardly be repeated. It gave us cheap iron among other things, and has put us in 1879 into a position to build iron vessels against any country in the world. While this development was taking place, however, England was actively building iron ships, sailers as well as steamers, which being cheaper than wooden ships, and being found to be, when well made, durable, needing little repair, and fleet, took the preference in many important trades over timber ships, and added another weight to the burden oppressing our navigation. It is yet doubtful whether the iron sailing-ship is destined to enjoy a permanent advantage over the timber ship. Sailors prefer the latter, and Americans are content to compete for trade in the same sort of craft with which they once had almost won the flag of maritime supremacy from England. There is no movement in this country toward the construction of iron sailing-craft, although our builders offer to manufacture them for the same prices for which they can be made in England. The building of wooden vessels still continues. If it were not for the rapid destruction of American forests now going on, it might be said still to be an unsettled question whether iron sailers would play any considerable part in the future commerce of the country. Whatever may be the case in the future, however, it does not affect the fact that, in the past, it has been a disadvantage to us not to be able to build of iron as cheaply as the English. The present state of the iron-building interest will be described in another chapter.

The high prices which prevailed during, and for ten years after, the

war were another cause of the decadence of our shipping. Labor constitutes so nearly the whole of the cost of a ship, that a small fluctuation in its market value is sufficient to put a building country in the van or in the rear of other nations. It was always a chief cause of our maritime growth that we could build cheaper than England. The high prices of the war immediately gave England the superiority over us, even in the construction of timber ships. It is only in the present year that her superiority in these important particulars has been practically destroyed, and the expense of construction somewhat equalized. The high prices also increased the cost of operating ships. American sailors demanded higher wages in order to live. That was a vast disadvantage, which, however, has now been remedied in great degree by the return of more frugal times.

The discovery of petroleum had an important influence upon the fleet engaged in the whale-fisheries. We once had 700 sail in that business, and 17,000 seamen. The use of petroleum rendered the business unprofitable, and the tonnage ran down from 198,000 in 1858 to 39,000 in 1876. The Americans still do about all the whale-fishing, sea-elephanting, and sealing, that is carried on, but there are now only about 170 vessels in the business. Employment to shipping and valuable training for mariners are lost by this change. The game itself is scarcer than in old times, and part of the decline may be attributed to that fact. The use of mineral oils was, however, the principal cause.

Is it any wonder that American shipping declined? Is it strange that our total tonnage fell away from 5,353,868 in 1860 to 4,212,764 in 1878; and that part of it registered for the foreign trade from 2,546,237 in 1860 to 1,629,047 in 1878? Is it likely that the decline will go a step further except by reason of our subserviency to the ambitions and designs of foreign powers, and a failure to do something for our own legitimate interests? Is there anything in the present situation which discourages in the slightest degree, except foreign policy? And how are we to meet that?

VI.

WHAT MAY BE DONE.

VARIOUS things may be done to meet the foreign competition against our navigation.

One is a change of policy with respect to international trade. A revival of the law of 1817, which forbade any ship to bring a cargo to the United States except from the ports of the country to which it be-

longs, would work out an interesting result in regard to the navigation to South America and Asia. There are few ships native to those countries trading to the United States. Less than twenty South American keels arrive in this country yearly out of a total of 1,100 entries from that part of the world. The vessels, not American, in the trade, are principally English. A law such as is referred to would instantly place in our hands the whole transportation between the United States and South America and Asia. We have all the steamers and sailing-craft needed to take advantage of it immediately. A law of that description would also assist us in the Mediterranean trade, in which field English steamers are now making triangular voyages, to the injury of our navigation. It would also work out a most important result in the trade from the whole Continent of Europe by confining the cheap sailing British, Italian, and Norwegian craft to the navigation from their own countries. This measure would secure an immediate extension of the operations of our shipping without costing the country a dollar. It would give employment at once to the tens of thousands of tons of sailing-craft lying idle in our harbors. It would enable the Government to refuse a subsidy to every existing line of steamers to a foreign land without injuring the line. It might, in fact, be a better thing for the line than a subsidy. It would assist us in the sale of manufactures. A regulation requiring direct trade would no doubt be responded to by England by an enactment depriving American ships of whatever general trade from foreign countries to English ports they now enjoy. Whether we should lose more by that than we should gain is extremely doubtful, and we can afford to abandon the lesser for the greater.

To adopt a policy of this sort would be to employ, in an age in which English public men are arguing that everything should be left as much as possible to private enterprise, the tactics of an age in which everything was seconded as much as possible by the efforts of the government. It would be characterized by every man of *laissez faire* sympathies as a step backward toward the barbarism of the middle ages, though, even if that were true, it would have nothing to do with the real question at issue, which is, Would it be useful? Such a policy would also be exposed to the objection that it would be an open blow at British interests in every part of the world. But it seems to the writer that Americans should not be governed by too excessive a regard for our British rival, and that the only question to be considered is, What will be proper and beneficial for our own country? Some better man may be able to see grave reasons why direct-trade laws should not be adopted by the United States which do not occur to the writer; but, probably, no one will deny that the first effect of such a policy would be to give us a better position in the navigation to every

part of the world immediately without cost to the country, thus giving employment to all our idle ships; and that in its further operation it would confer a favor and a benefit upon South America, with which we so much desire to cultivate close and friendly relations, and upon every other great nation of the world, England alone excepted, and that it would, therefore, be regarded in a friendly light by them; and that England would not have the shadow of a right to complain that it was either unjust or unfriendly to her, or founded upon anything except common-sense and legitimate business principles.

One change which has been suggested many times is in regard to the abolition of duties on ship-building material. There may have been a time when that would have benefited the foreign navigation of the United States. It would not be of the slightest advantage now.

Timber is as cheap here as anywhere in the world. Thirty years ago the north of Europe had cheaper timber than the United States. But the forests of the north of Europe are fast becoming exhausted, and timber has risen in consequence. In Canada, where they have cheap building-stuff, the wood is inferior in quality to that of American growth, and American ship-owners do not care to use it. Italy has enjoyed the advantage of cheap building-material in the past, but her situation is not superior to that of the United States, because her builders are obliged to import their masts and spars from America. Our position in regard to timber is as good as could be desired. No encouragement need be given to the importation of it. Advantage has never been taken of the law of 1872, which allows the importation of lumber for the construction and equipment of vessels for the foreign trade, more than to the extent of a few thousand dollars a year.

Under the law of 1872, copper, iron, and steel rods, bolts, spikes, nails, hemp, and manila, can be imported free of charge for shipping purposes. These things are all so cheap in the United States that the importation under the law is only about \$100,000 worth a year.

The only material for ship-building which cannot now be imported free of duty is iron. Six years ago it might have been an important help to builders to be able to obtain their iron free of duty. The price was then \$48 a ton. The duty was \$7. To have permitted the free importation of iron for building might possibly have been a help. Since that time, however, the cost of iron has fallen, even going so low as \$20 in 1878. It has risen this fall, but the rise is general all over the world. Besides, our builders do not need to have iron so cheap as formerly. No law abolishing the duty would put our builders in a much better position in regard to this class of raw material than they now enjoy. It may be mentioned that our builders do not at present ask for a repeal of the duty on iron. The demand for this does not come from them. On the contrary, it is believed they are generally opposed to it.

It does not clearly appear where the recent demand for a repeal of the duties on ship-building material comes from, or what those who propose it expect that we will gain by it. A brief consideration of the subject ought to convince an American, however, that nothing can be done in this direction which would be of any special value to American shipping.

A repeal of duties on all the supplies of a ship, so as to cheapen the expenses of operation, has been suggested by various ship-owners as of probable utility. Its value would be slight, but as far as the law would go it would probably be beneficial.

Would a change of the registry laws be of any avail? The free-traders are very active now in asserting that it would be. The question is, Would such an extraordinary change of our national policy secure a larger field for the employment of American ships? With reference to the coasting-trade, it is not clear how our ship-owners would gain by it. They enjoy an exclusive monopoly of that trade already. An abandonment of our policy in regard to the registration of vessels could only diminish the number of American ships in the business, if it had any effect at all. Would there be an increase of American tonnage in the foreign trade if Americans could buy their ships in other lands? That would appear to depend on the probability of obtaining ships at a materially reduced cost in foreign ship-yards. Eight years ago, when this subject was under discussion, Joseph Nimmo, Jr., chief of the tonnage division of the Treasury Department, collected a large amount of information in regard to the cost of ships. From his report it appears that the expense of building timber ships in the United States at that time was from \$50 to \$60 a ton in gold for oak ships, and from \$40 to \$50 a ton in Canada for spruce ships. The cost of iron sailing-vessels in England was \$95 a ton in gold, and in the United States \$125 a ton. A remarkable change in the expense of building has taken place since that time. It will be recollected that gold has fallen from 1.30 to 1.00; labor has depreciated thirty per cent.; and iron has fallen one-half. Interest has also been materially reduced. The result is, that the cost of building in this country does not now exceed the cost abroad by ten per cent. It is doubtful whether as great a difference as that exists. Our builders now offer to construct steam and sailing vessels, grade for grade, for the same prices as the builders abroad.

What fine point of advantage, then, would our ship-owners gain by buying their ships abroad? Do American ship-owners want to buy ships abroad? It is believed that they do not, and that the whole agitation of this subject originates outside of American shipping and mercantile circles. The principal effect of a repeal of the registry laws for the foreign trade would be the importation of old English hulls to America to be cut up as scrap-iron. It would afford no relief to American navigation.

There is one thing which may be done, which would have an important influence in increasing the amount of American tonnage in our foreign trade, and at the same time stimulate the industrial interests of the country in a useful manner. This is, to encourage our countrymen to build and operate lines of first-class steamships in our foreign trade. There can be no important revival of American navigation without a large and prosperous steam marine. Steam is superseding sails the world over. It is cheaper than the winds of heaven in certain trades, and more serviceable. No civilized nation of the earth dreams of maritime expansion in this age except in the direction of fleets of steam packet-ships. The day of the sailing-vessels for all regular and valuable trade is passing away, and the United States might as well equip its armies for the next foreign war with bows and arrows as expect to regain its maritime eminence with anything except iron steamships.

The present is a very interesting period in our national history. Our trade has grown to enormous proportions, yet we are under the necessity of expanding it still further. To employ our population, it is necessary to extend the sale of our manufactures in foreign lands. We can compete with our industrial rivals in the great markets of the South and West as far as excellence and prices of our goods are concerned, but we cannot get the goods to those markets rapidly and conveniently for lack of transportation facilities. A great opportunity opens before the country for maritime and industrial expansion. The Government would betray the people it has been created to aid and protect if it hesitates to discharge its duty in the matter.

The plan of encouraging our own citizens to build steamships, and to trade in them to Africa, South America, Europe, and other markets, by the grant of mail-contracts, is probably the best of those proposed for the revival of our navigation and the extension of our commerce. It will accomplish the end desired without sacrificing any other important national interest, and it is a simple and effective plan. The argument in behalf of mail-contracts is the old one, which has been regarded as valid in every age and every country, and is still influential with all the civilized governments of the world, our own included, that projects of vast public utility, of which individuals cannot bear the risk and expense, and which promise to promote the national wealth, and in time to be self-sustaining, may safely and prudently be treated as enterprises of public concern and directly encouraged by the Government. It was exactly this principle which led the State of New York to build the Erie Canal at its own expense—a work which repaid its whole cost of construction in ten years—reduced the cost of freight from Lake Erie to the Hudson from \$100 to \$7 a ton, and added \$100,000,000 to the value of the farms of the State, to say nothing of what it did for the West. It is this principle which led the United

States to grant 183,000,000 acres of the public lands to aid in the construction of railroads, 38,000,000 of the grant having now been patented, a gift for which it has been fully reimbursed by the increased money-value of the other public lands in the neighborhood of the railroads, built by the aid of the land-grants, and which has proved of inestimable profit to private citizens by adding to the market-value of their lands, and reducing the cost of freight to one-tenth what it was before the roads were built, and often to less than one-tenth. The Government has been patriotic and liberal in its application of this principle to the benefit of the agricultural interest, and has been rewarded for it satisfactorily and completely.

It is now asked that the principle shall be applied for the benefit of the shipping and manufacturing interests of the country. The profit which will accrue to the people from taking this step will not be so palpable as in the case of Government aid to internal improvements, but it will be no less real and immediate. The expenditure of a few millions annually in compensation to steamship lines to enable them to meet the foreign competition, and get a foothold in trade, will save to the country \$50,000,000 or more of tribute now paid to foreigners for freight and passenger-money. It will give employment on land and sea to American labor, and insure an enlarged sale of American manufactures abroad. It will secure to our countrymen the profits of their own vast commerce and its beneficial influence be felt in every part of the republic. This policy will be fully in accord, too, with the spirit of the age and the example of the older nations, whose example in other respects we regard as worthy of all imitation.

Senator Blaine recently wrote a letter on this subject to the merchants of New York. Having been present at the annual dinner of the Chamber of Commerce of that city, May 13, 1879, he responded by invitation to the toast, "Steam Mail Lines ; Keys with which Wise Statesmen open Foreign Ports to Maritime Commerce." His short speech was received with cordial signs of approval, and he was soon afterward invited to come to New York and speak at more length on "The Decay of American Commerce, and the Means of Promoting its Revival." The Senator could not comply in person, for Congress was then in session, and under the circumstances of the time it was difficult to get away ; but he wrote a letter, which fully expressed his views. It was dated at Washington, June 17, 1879, and was addressed to William E. Dodge, A. A. Low, James M. Brown, H. B. Clafin, Henry Hilton, B. G. Arnold, F. B. Thurber, Moses Taylor, John A. Stewart, and other members of the Chamber of Commerce. The letter was an analysis of causes, an eloquent plea for the construction of our ships in this country, and a suggestion as to the right policy to pursue in the future. The following is an extract :

"If I possessed the power to prescribe a policy for the revival of the American carrying-trade, I would make it very simple and very specific. I would continue the navigation laws as part of the very organic law of the land. For wooden sailing-ships no further aid is needed than these laws afford, if we will only seek in every way to lighten the burden of taxation on vessels. We can build wooden ships better than any other country, and we can build them as cheaply; but after they are launched and in trade they should not be worried and harried and burdened with every form of taxation, port-charge, and quarantine exaction at home; and maltreated and oppressed, as they too often are, by our consuls in foreign ports. They should have every facility for supply in our ports that England gives to her ships. Wooden ships will always be used so long as trees grow and winds blow, and they will form a large resource to our country. Indeed, it is almost the only resource we now have in foreign trade, and we should cherish the interest as one inwoven with our history and prosperity as a people. . . . My own State is more largely interested than any other in the Union in the building of wooden ships, and, if the specie basis can be firmly maintained, the United States and Canada will furnish the sailing-vessels for the world. Nothing but the inflation of the currency and the loss of the specie standard will prevent the steady growth of that valuable interest. Beyond all doubt that would prevent its revival and increase, and would ultimately result in its total destruction in our country.

"But, if we content ourselves with wooden sailing-vessels, we surrender the larger half of the world's commerce without a struggle. We must have iron steamships besides, and, with the start that other nations enjoy to-day, we shall never compete with them unless we use the same aids and the same instrumentalities that have built their steam fleets. And that aid I would give. And to give it effectively and wisely I would abandon all idea of granting subsidy to special lines as they apply to Congress for aid. That policy, however just and meritorious, will always be rendered abortive by prejudice, by jealousy, and by scandal, either actual or imputed. I would prefer a general law that should ignore individuals and enforce a policy. For instance, enact that any man or company of men who will build in an American yard, with American material by American mechanics, a steamship of three thousand tons and sail her from any port of the United States to any foreign port, he or they shall receive for a monthly line a mail allowance of \$25 per mile per annum, for the sailing distance between the two ports; for a semi-monthly line, \$45 per mile; for a weekly line, \$75 per mile. Should the steamers exceed three thousand tons, a small advance on these rates might be allowed; if less than three thousand, a corresponding reduction; keeping three thousand tons as the average and the standard. Provide that the steamships shall be thoroughly inspected by a competent commission under the direction of the Secretary of the Treasury, the Secretary of the Navy, and the Postmaster-General, and thus insure the very first class of construction for safety and for speed both for passenger and cargo. . . . If the price I have named seems large for mail-pay, I beg to suggest that our Post-Office Department, without cavil or question, is paying a larger sum per mile for weekly, fortnightly, and monthly mails within our own territory—mails that carry fewer letters than these steamers would carry; mails that carry with them none of the incidental advantages which form the chief value of the steam lines under discussion.

"I know there is a large and influential class in the country who are utterly opposed to the policy thus imperfectly outlined. But suppose they should consent to make the experiment!"

The point which Mr. Blaine makes about the inland mail service is a forcible one. There were in the United States last winter about 9,920 mail routes, of which exactly 1,000 were railroad routes. The number is somewhat larger now. On the main railroad lines of the country the weight of mails carried is large. Eighty-six tons of mails a day are sent out from New York city alone, and the trunk lines between all the great cities run heavily burdened mail cars. The compensation of the principal railroad routes is from \$375 to \$1,155 per mile per annum, and that of the less important routes from \$45 to \$350 per mile per annum. Of the whole thousand of railroad routes, only two or three hundred earn the compensation the Government pays them. The postage on the mails carried by the other lines falls far short of reimbursing the Government for the cost of the service over them. It is also true that, of the 8,920 stage, steamboat, and railroad routes, the majority do not earn in postage enough to reimburse the Government for the mail pay of the routes. Now, no one has ever thought of calling the compensation of the non-paying lines the grant of a subsidy or gratuity, and it would be improper to call it so. It is compensation for a valuable public service performed. Besides, the system as a whole is substantially self-sustaining, and that is all that any one desires. It has been the misfortune of those suggesting mail pay to American steamers, however, to be met with the declaration that "the people are opposed to subsidies," meaning gratuities, and that it would not do at all to pay \$75, \$45, or even \$25 per mile per annum for carrying the mails at sea. The Government is making a clear profit of about from \$400,000 to \$600,000 a year on the foreign mail service (charging five cents per half ounce on letters and paying the steamers only two cents thereon), and this sum of money would be sufficient to afford excellent mail pay to several American lines of steamers to foreign lands, and, if it were applied to that object, would lead to the establishment of such lines. But even this is not enough to satisfy the opponents of the welfare of American shipping, and they persist in calling the grant of mail pay to American steamships subsidies, meaning all the while gratuities. Mr. Blaine, by suggesting that the foreign mail service and the home service are entitled to be treated as parts of one system, has made a strong and just point in favor of a more intelligent policy toward American steamship lines.

A thorough-going congressional investigation of the whole subject of our commerce, manufactures, and navigation, would be of great service in enabling merchants and the Government to coöperate harmoniously and intelligently. It would bring about a better understanding

between the agricultural, industrial, and mercantile classes, and would reveal the directions in which effort should be expended. It would tend to give us what we so greatly lack and so much need, a national policy with respect to our foreign navigation.

VII.

FREE SHIPS AND SUBSIDIES.

IN the preceding chapters, an attempt has been made to explain the causes of the decline of American shipping. Various devices have also been adverted to for restoring American supremacy. It is proposed in this chapter to discuss the propriety of a resort to some of these devices, especially that of the policy of mail contracts. This is a question upon which a large part of the American public are in doubt. A great many owners and builders of merchant vessels are in doubt on the subject, not being sure that they are not unduly biased in their opinions by self-interest. The expediency of Government encouragement to navigation, of any sort, is denied, moreover, by many patriotic and intelligent citizens, who, convinced of the justice of their opinions, have been agitating for several years against the grant of subsidies and in favor of a repeal of the Navigation Laws, and who, though unsuccessful so far, intend in the truly American way to show their faith by their works at the coming session of Congress, and to make a renewed effort in behalf of their cause. If those of our countrymen who are of this way of thinking should succeed this winter, it is feared not only that the United States would be unable to regain its old time ascendancy in foreign commerce, but that a great deal of the navigation we now have would be absolutely destroyed, and that, our patriotic system of Navigation Laws being once shattered, that achievement would be made a precedent for moving to abolish the protection given by the laws to agriculture and manufactures, and the way would be opened for foreign nations to gain a complete triumph over us in all the fields of industrial and maritime activity. Considering the importance of the subject, the writer desires to submit a few suggestions on this general question of the expediency of maintaining our Navigation Laws in all their present integrity, and, further, of going on and promoting actively the enlargement of our navigation by the establishment of American steamship lines in the foreign trade.

It ought to be stated at the outset, in order to clear the way for a discussion of the real point in controversy, that this is a question of

expediency simply. It is not a question of the province of government, as is sometimes claimed. The tendency of Anglo-Saxon thought in this age is to limit the province of government as much as possible; and it is sometimes argued that governments should do nothing whatever in regard to their subjects except to protect them from force and fraud, that legislation should stop when that limit has been reached, and that all beyond that limit should be left to private and voluntary agency. John Stuart Mill committed himself at one time emphatically to this view (in his essay on "Liberty"), and a great many eminent public men both in Europe and America have lent their support to the doctrine. By the common consent of all who have written and spoken upon this subject, however, including Mr. Mill, it is impracticable to limit the activity of governments to the protection of their subjects against force and fraud, without sacrificing important public interests, and, as a matter of fact, no government does stop at that limit. Mr. Madison, who was in favor of giving trade "a free course under the impulse of individual interest and under the guidance of individual sagacity," said in a speech in Congress: "To allow trade to regulate itself is not, however, to be admitted as a maxim universally sound; our own experience has taught us that it is in certain cases the same thing as allowing one nation to regulate it for another." Mr. Madison, in all his practice, showed that he believed that government should interfere actively in the affairs of the people and adopt positive and direct measures to promote their general welfare. Mr. Mill said in his "Political Economy," that "In the particular circumstances of a given age or nation, there is scarcely anything really important to the general interest, which it may not be desirable, or even necessary, that the government should take upon itself. . . . In these cases, the mode in which the government can most sincerely demonstrate the sincerity with which it intends the greatest good of its subjects, is by doing the things which are made incumbent upon it by the helplessness of the public, in such a manner as shall tend not to increase and perpetuate, but correct that helplessness." Mr. Mill enumerates a large number of things, which cannot be construed as measures of protection against force or fraud, which may be, and are, indeed, proper for governments to adopt. Every considerate writer and public man throughout the world, in fact, is compelled to admit that there is scarcely anything affecting the public welfare which is really and absolutely outside of the province of government. The only ground upon which a controversy can be maintained in any particular case is, the question whether the legislative authority is empowered by the laws of the land to act, and whether, if so empowered, it is expedient, all things considered, for the legislature to act.

Nor is this a question of the authority of Congress. The contro-

versy on that subject is past. It is now universally conceded that the Constitution commits to Congress the absolute control of navigation and intercourse, and the right to appropriate moneys liberally for the carriage of the mails, if that object will promote the general welfare, in the clauses which empower Congress to collect taxes "to provide for the common defense and general welfare"; "to establish post-offices and post-roads"; and "to regulate commerce." The grant of power "to regulate commerce" is one of the most important in the Constitution. Story in his "Commentaries" says: "The want of this power (as has been already seen) was one of the leading defects of the Confederation, and probably, as much as any one cause, conduced to the establishment of the Constitution. It is a power vital to the prosperity of the Union, and without it the Government would scarcely deserve the name of a national government; and would soon sink into discredit and imbecility. It would stand, as a mere shadow of sovereignty, to mock our hopes and involve us in a common ruin." The right to regulate commerce gives Congress control of the whole subject of navigation and intercourse, and even of manufactures so far as they depend on navigation and intercourse. Under the grant of power in regard to post-offices, the right to provide for carrying the mails is held to be imparted, and under the clause about taxes and the general welfare, the right to apply the public moneys to any object which will promote any great public interest. The authority of Congress in these respects is not now seriously disputed. The whole practice of the Government, from the day of the meeting of the first Congress down to the present time, is in conformity with the above construction of the Constitution. The authority of Congress being conceded, there remains open for discussion only the question of expediency in any particular case.

It might be said, further, on this general subject, that a grant of power by the Constitution always implies not only the means of execution but the duty of employing the power whenever the public interests demand it. This is an important point. Congress is under the expressly implied obligation to act whenever the exercise of authority is necessary for the common defense or general welfare. This is the constitutional doctrine on the subject. The language above used is that of Story, Kent, and the other commentators on the Magna Charta of our Republic. The conclusion is, that if the public welfare requires it, it is not only within the province, but it is the duty of Congress to pass and maintain navigation laws and appropriate moneys liberally for the carriage of the ocean mails.

The inquiry then is, What do the public interests require? What is it expedient for the Government to do? Those who differ from us in opinion demand the repeal of the navigation laws, or a modification

equivalent to repeal, and incidentally oppose all grants of aid for the establishment of steamship lines to foreign lands. We, on our part, advocate the propriety of aiding the establishment of a large number of American steamship lines to foreign lands, by giving to them contracts and a just compensation for carrying the mails, favoring a rigid maintenance of the Navigation Laws of the United States as an incident of this policy. Which policy would best promote the public welfare?

SHALL WE HAVE FREE SHIPS?

I. First, with reference to the Navigation Laws. It is proposed to repeal them. It is claimed that they are antiquated and useless, and should be abolished. The propriety of maintaining these laws may be studied first in the light of the effect of their abolition on the coasting trade. What is the coasting trade of the United States? It is the navigation from the harbors of one State to that of another along the ocean seaboard, the courses of the great rivers, and through the northern lakes. The power to reserve this navigation to the vessels of American citizens was one of the express objects for which the Constitution of the United States was ordained; and one of the very first acts of Congress, after the Government had been formed, was, accordingly, to exclude from the trade of our rivers and coasts the vessels of all other nations. This was indispensable in order to prevent smuggling and in order to acquire the ships, seamen, and mechanics, necessary for our prosperity and defense. In the Southern States, where little shipping was owned, it was originally thought that this law would impose a tax upon that section, but those States were at the time willing to submit to some sacrifice for the sake of the general welfare, and in the end it was discovered that the law did not, after all, impose a tax upon that section. The law operated, on the other hand, to create a fleet of merchant vessels, so numerous and so eager in their competition with each other, that the South from the beginning enjoyed cheap transportation. The fleet engaged in the coasting trade, which, be it remembered, includes the rivers and great lakes of the country, now comprises about 19,000 vessels and 2,200 barges, employing 70,000 men, and the competition between them is so great that the charges for transportation have been reduced to a point never before known. Vessel-owners higgledy with shippers for a difference of one sixteenth of one per cent. in the charges for freight. The public interests are subserved by this state of things, although vessel-owners grumble and declare that there are now so many ships and barges in the business that there is very little profit to be made by any of them. The value of these vessels and barges is at the least calculation \$120,-

000,000. This enormous sum of money is invested by American citizens in vessels engaged in the coastwise and river transportation of the country.

Now, what would be the effect on this interest if the navigation laws were repealed? What would become of the Mississippi River steamers if a swarm of Italian, Norwegian, Spanish, and British ships, sailed by men who, it is said, can live on a greased rag, were allowed to enter the South Pass and roam at will up and down the great rivers of the Valley of the Mississippi? What would become of the large propellers and sailing-vessels now plying on the northern lakes in the produce and iron trade to the East? What would be the effect on the fleet trading along the Atlantic, Gulf, and Pacific coasts? There is not a vessel-owner in all those trades who would not reply with much feeling that it would be the last straw which would break the camel's back. Then, too, what would be the influence on agriculture were American sailors compelled to abandon the sea and seek their living on shore? Already there are complaints from the States in the vicinity of the Mississippi River. Farmers view the continued immigration to the West with alarm. It is said that, unless farmers have capital wherewith to work on a large scale, they suffer greatly now. It is only by the most economical management that they can make both ends meet. There is little profit in corn at six and ten cents a bushel, in wheat at from thirty to fifty cents, and pork and beef at from one to two cents a pound. What will it be when the already enormous production is doubled? Reflecting men among farmers in the West do not view with favor any proposition to deprive seamen and mechanics in the East of work; and, indeed, it is not for the interest of agriculture that anything should happen to precipitate upon that region a fresh avalanche of the unemployed, seeking homes and farms. Nor is it for the general welfare of the country.

The propriety of reserving the navigation of our coasts and rivers exclusively to our own citizens is so obvious that it is surprising that any intelligent man disputes it. The burden of proving that a different policy is desirable clearly belongs to our opponents. Does it not, in all fairness?

The same may be said with reference to the doctrine that the regulation ought to be repealed which entitles only those ships built in the United States to the protection of the United States Navy when engaged in foreign trade. It is incumbent on the advocates of that doctrine to show the practical advantages of the repeal. Every ship placed under the American flag must be protected by the armed vessels of the United States and the vigilant care of the civil officers of our Government, both at home and abroad. If foreign vessels are to be admitted to an American registry, and the vessels thus regis-

tered are not to be manned with American sailors, the United States will suffer loss all along the line of its native maritime resources. It will lose seamen, mechanics, and ship-yards, not to mention what it will suffer in respect to the profitable industry of building and repairing vessels. What will the country gain to compensate it for that loss? That must be clearly shown. The repeal of the Navigation Laws will, of course, be claimed to be a measure for the promotion of ship-owning in the foreign trade. That is all that can be claimed for it. Protectionists do not stop, however, with requiring their opponents to prove that that object will be promoted by repeal. They deny that it will be. Foreign ships are not so much cheaper as to tempt Americans to buy them, if the law were repealed. There is nothing, in fact, to prevent an American citizen now from buying a foreign ship, and sailing it in the foreign trade, if he wishes to. He would have to sail it under a foreign flag, perhaps, but if that flag were British he would gain the advantage of buying his supplies cheaper, and having the ship protected by a more powerful navy than that of his native country. Why does nobody do that now, if our Navigation Laws are an obstacle to the growth of our marine? The answer is, that no American is deterred from employing ships in the foreign trade of this country on account of the cost of the ships. As President Hayes has well said, in his recent speeches in the West, American ship-builders can now compete with their rivals on the Clyde, in excellence and cost of ships, successfully. Comparative cost and excellence have practically nothing to do with restraining the expansion of the ship-owning interest of this country. The real restraining cause—the subsidies paid by other countries, past and present, and the results flowing therefrom—would not be affected by a repeal of the American Navigation Laws.

Furthermore, look at the absurd position in which America might be placed, if the law should admit foreign vessels to the shelter of an American registry. The whole merchant fleet of Great Britain, and possibly that of some other country, could be placed under the American flag, in case of a European war. The most cogent reason Great Britain has for keeping the peace to-day is the danger to which her merchant ships would be exposed, if she should go to war. It is the opinion of most observers that England would have become involved in hostilities with Russia two years ago, except for fear of depredations on her commerce, and that this fear alone restrains her now. Suppose that Congress should repeal the Navigation Laws of the United States. Great Britain would then be able to place nearly her whole navigation under the protection of the American flag, and that, too, without letting go the ownership of the vessels, by the well-known process of "whitewashing" (a system of bills of sale and

counter-mortgages). The American navy, not now large enough to protect our own commerce, would then be compelled to stand guard over the merchant fleet of our most powerful and most unscrupulous rival. What an inconvenient position for the navy to occupy ! And, while the United States would be paying out millions to protect the ships of a foreign power, the warfare, which that power would be left free to carry on, would be the source of many an interference with our own proper merchant fleet, and of a serious disturbance of our own commerce. Why should the United States be placed in so anomalous a position ? It is incumbent upon the advocates of repeal to explain, conclusively.

If ship-owning should be promoted by repeal, in the way claimed, namely, by permitting Americans to obtain cheaper ships by buying them abroad, then a disastrous blow would be administered to a profitable branch of American industry, that of ship-building. The sum of money spent in the United States for the building of new ships in 1855 was \$27,700,000. With the decline of our navigation, this sum fell off to \$6,800,000 in 1862. In 1878 it had revived to something like \$11,000,000. What would happen if all our ships were to be built abroad ?

The writer believes that the repeal of our Navigation Laws would be an unqualified evil. The world, indeed, has not quite stood still since the laws were enacted, but no changes have taken place which would justify so radical a change of policy as the one now proposed. Almost all the old reasons are in force yet. There are some new ones which did not exist in 1789. To abandon our historic policy would be disaster.

It is perfectly legitimate to call attention to the source where this agitation for repeal originates. It was explained by "The Boston Journal" in May, 1877, in a leading editorial on "What depresses American Shipping Interests." The "Journal" said :

"Within the past few months the Cobden Club has been unusually active in urging upon the friends of free trade in all parts of the world to make a fresh effort in behalf of their cause. English interests are suffering from the dullness which pervades commerce. Failures are twice as numerous in England as in other parts of the world, the United States especially, and there is scarcely a department of business that does not feel the stress of the times extremely. Among other incidental facts of the situation is this, that as many as 2,400 English ships of the various classes are out of employment. A fresh market in wealthy countries is therefore sought for English products, and fresh fields for the employment of English shipping. One response to the appeals of the Cobden Club is seen in the phenomenon of fresh agitation in the United States for free trade in ships."

These remarks were in strict conformity with the facts.

MAIL CONTRACTS TO AMERICAN STEAMERS.

II. Let us take up a more profitable branch of the subject. Let us consider not the effect of repeal, but the effect of maintaining the present system, and of going on and establishing a multitude of American steamship lines to trade to other continents. Let us see what advantages would be gained thereby.

At the threshold of the discussion we are met with a few objections. Let us consider them first.

It is said that to appropriate from \$3,000,000 to \$5,000,000 to encourage navigation would be to tax the people at large for the benefit of a single interest. It might be replied to this, first, that if it is wrong to tax the people in behalf of navigation, then the American Navy should be abolished at once. The navy costs the country \$20,000,000 a year, and its only practical purpose is to protect American ships, when outside of the territorial jurisdiction of the United States. Twenty millions paid out in behalf of a single interest! Commerce would go on just the same if there were no American ships in which to transact any portion of it. It would also be wrong to extend our navigation at all, because, if navigation be extended, the navy would have to be enlarged too, to protect it, at an increased cost to the country. However, the argument against taxing the people at large in behalf of American navigation is a valid one. It has a direct bearing on the question of expediency. It will be fully met, further on, by showing the harvests of benefits which will accrue from the expenditure; but it may be said now, in passing, that those who oppose the appropriation of public money for ocean mail contracts, on the ground of the impropriety of taxation in behalf of a single interest, are inconsistent. Mr. Charles H. Marshall, of New York City, made the point as to taxation in an interesting address on "The Decline of American Shipping" to the Export Trade Convention, held at Washington on February 19, 1879. Mr. Marshall laid great stress on the injustice of a policy which would tax each one of our citizens to the extent of seven or eight cents a year, and advanced as his idea of the way to restore the prosperity of American shipping a return to the policy of pure free trade. In other words, he advocated a policy which would close a large proportion of the factories of the United States, and deluge agriculture with an inundation of unemployed men seeking homes and a living in the West; which would, in brief, lower the wages and income of every farmer and laborer in the land. This would be a far more startling form of taxation of the people at large for the benefit of a few than the one which protectionists propose.

Next, it is objected that the grant of mail contracts would establish

monopolies. This is *vox et præterea nihil*. The purpose of these contracts is to break down a monopoly, the foreign monopoly of the control of our commerce. Besides, if it were proper to say that a government contract for ocean mail service would establish a monopoly, it would be equally proper to denounce the contracts with the one thousand railroad and the eight thousand nine hundred steamboat and turnpike routes, which carry the domestic mails, for the same reason. Every one of those routes is a monopoly. Yet no one objects to the contracts with them. On the contrary, it is conceded that the public welfare is promoted by them.

Lastly, it is objected that private enterprise is not helpless in the matter of establishing all the steamship lines the country wants. This is absurd. Manufacturers, anxious to extend their trade, have been crying for years, after the fashion of Putnam at the siege of Boston, "Oh, ye gods, give us American steamers!" Lines have been needed to run to both coasts of South America, to Africa, the Mediterranean, India, China, and Japan, not to mention Europe, and to run exclusively in the interests of American trade. The matter has been brought before the attention of ship-owners and wealthy men in commercial cities repeatedly. All the facts have been repeatedly and carefully canvassed. Companies and private firms have several times been formed to run steamers to the lands named. One of them obtained a charter from Congress. Ships have several times been dispatched, experimentally, to Chili, China, and elsewhere. If there had been any confidence whatever that American lines would pay, twenty of them would now be in active operation. But it is known that they would not pay. The sea is covered with the steamships of England, France, Spain, Germany, Italy, and Holland, almost all of them either being now heavily subsidized by their respective governments, or having been sustained with subsidies for a long period of years until they had been able to expel every American steamer from competition with them in the navigation of the world. In the North Atlantic trade the English steamers now no longer receive subsidies, but they did receive them until within five years; and the enormous capital, the skill in practical management, and the control of the trade, acquired by means of those subsidies, now render it impracticable for American steamers to enter into competition with them, unless backed by the Government. There is also a difference in wages and cost of operation now against the American ship. In no direction now does an American steamer ply on the high seas, unless it has a subsidy from a foreign government, or a virtual monopoly of a small trade. As things now stand, private enterprise is certainly helpless. The Government must act, or nothing will be done.

But it is said that if the duty on wool and coffee and perhaps a

very few other things were repealed, some of these lines would be started. Those who propose this must show that the sacrifice to important home interests would not be greater than the good gained. Perhaps they can demonstrate this. At any rate, it is for them to make the attempt.

Now we can go on with the argument. A general law to pay from \$25 to \$75 per mile per annum for the transportation of the United States mails in American ships to foreign lands, according as monthly or weekly trips are made, would cost the national treasury the sum of from \$3,000,000 to \$5,000,000 a year. The enlargement of our navigation would also require an expenditure for the enlargement of our Navy. What would the country gain from the expenditure? Let us offset the benefits against the cost and see in which direction falls the balance.

First, in regard to ship-owning. The imagination is kindled by a contemplation of the possibilities of enlargement of this interest. Refer to the table printed on page 7 of this pamphlet. Reflect for a moment that the almost incredible quantity of 11,150,000 gross tons of grain, oil, cotton, tobacco, provisions, metals, and other produce and manufactures was exported from the United States during the last fiscal year, and that this exportation is increasing at the rate of from 1,000,000 to 2,000,000 gross tons a year. Reflect that about 3,800,000 tons of goods are imported. About 15,000,000 tons of goods carried to and from the shores of the United States every year. If only one half of the business of carrying our enormous wealth of surplus commodities could be secured for American ships, sail and steam, the tonnage of the United States employed in the foreign trade would instantly be doubled, and would be larger than ever before in the history of the country. If all of the 15,000,000 tons of goods above referred to, not now carried by American vessels, could be secured, the United States would have a larger merchant fleet engaged in foreign trade than Great Britain herself. Such possibilities dazzle the mind. Yet they present themselves on the most cursory glance at the subject. It is not supposed that all of this carrying trade could be secured for American ships; but the facts show that, with any sort of a favoring policy on the part of the American government, the ship-owning interest would be immensely expanded and would enter upon a period of prosperity such as has been never before known.

Hand in hand with the growth of our navigation would go the growth of the home ship-building interest. The effect of the new policy would be seen at once in the ship-yards of the United States and in the numerous industries to which the yards give employment. If judgment were exercised, as it ought to be, in the establishment of American steamship lines, no business would be taken away from

American sailing ships, but new transportation business would be gained at the expense of foreign steamship lines and foreign sailing ships. Timber ships would therefore continue to be built in America as much as ever, and iron ships would be produced in vastly increased numbers. The value of the iron building interest to a country was set forth by "The New York Tribune," in its issue of April 7, 1877, in an article on the growth of that industry. "The Tribune" said :

"It puts immense sums of money into circulation, very much larger than people are generally aware, and it gives employment to more trades than any other industry. Its benefits to a people continue after the expenditure of money for labor and materials. A ship once set afloat upon the waters and actively employed in commerce gives continued occupation to labor on land and sea. Repairs and supplies are continually called for by it, and an amount of money equal to 50 per cent. of its cost, if it is a steamship, and 30 per cent. if it is a sailer, is expended upon it and by it annually during the whole of its active existence. It has to be replaced, too, in time, so that, when once set going in a good trade, the employment it gives to labor and capital is permanent. . . . Nowhere is this fact so well understood as in England. In that intelligent country every possible encouragement has been given especially to the iron-ship-building interest; and this has been done not only to secure a commercial supremacy, but to secure the benefits at home of a steady and profitable employment of the labor of the country and the continued consumption of materials."

It is the continued employment of labor which constitutes in dollars and cents the greatest value of the ship-building interest to the country. How much labor is called for in the construction of vessels will be seen from "The Tribune" explanation : "Labor constitutes fully 60 per cent. of the cost of a steamer and at least 50 per cent. the cost of a sailing vessel. Going back to the raw materials, the iron and copper ore, the coal, and the wood, it will be found that the labor is fully 95 per cent. of the cost of a steamship ; but, starting with the pig metal and sawed lumber, about 80 per cent." It is substantially the same thing, whether the ship be of wood or iron. About \$11,000,000 is now spent in the United States annually for new ships, wooden and iron, and about \$2,000,000 more for the repair of old ones. Of the total of \$13,000,000, fully \$10,000,000 pays for labor. The enormous proportion of labor to materials required and the high class of the labor make this industry, by common consent of intelligent men, to rank as of the highest importance to any country. Under a policy of government encouragement, expenditures for iron and wooden ships would be increased at least to \$40,000,000 a year. The record of the past proves it. Concurrently, the expenditures for American labor and supplies, in operating the ships, would be increased by \$10,000,000 or \$15,000,000, perhaps considerably more. That is to say, there would then be expended in the United States an immense sum of money not

now expended, which might be as large as \$40,000,000, which would diffuse itself throughout the community and bless and quicken every department of human industry. Best of all, the money, thus spent, would be principally obtained from the foreigner. It would come from the earnings of the ships, which, in the export trade at least, are paid by consumers in foreign lands. In the import trade the money is paid by consumers here and is carried away from the country. The larger part of the money, therefore, would be a pure gain to the United States. The money is now earned by foreigners and they carry it abroad to be spent. They do not spend it here. Under a changed condition of things, it would be spent here.

Still a greater benefit would accrue from the stimulus to trade and domestic industry. It is often debated whether foreign trade grows up in consequence of the establishment of facilities for transportation, or whether ships are the offspring of a trade already in existence or of a strong desire to trade. There ought to be no dispute on that point, any more than there should be on the question as to which stands the best chance of getting married, a man or a woman; and for the same reason—there is nothing to dispute about. On the one hand, if facilities are created, trade follows. Establish a canal through a farming region, a railroad into a new State or across the plains, or a steamship line to a populous foreign country with which we have little or no trade, or to some distant and unoccupied part of our own country, and a brisk and flourishing traffic soon springs up in its path. On the other hand, create trade and improved facilities follow. The history of the United States and of the world at large is full of remarkable illustrations of both these principles. Now, the point is that, if a number of companies could be formed to run swift and capacious steamers to different parts of South America, and to India, Africa, and the Mediterranean, in the interest of the trade of the United States, a large increase of foreign trade would follow. Even if history did not prove this, common sense would. Take South America alone. That region (including Mexico) imports about \$290,000,000 worth of manufactured goods and articles of food yearly. Only one tenth of the amount is now imported from the United States. "The New York World" said, on May 28, 1877, in an article on "South American Trade":

"The United States are fitted to occupy the leading position in the trade with South America, both by nature and the energy and inventive genius of the people. South America produces only a fraction of the amount of the necessities of life which her people consume. She finds profitable employment for her people in raising purely tropical products, cotton, coffee, India rubber, etc., and for generations to come there will be little or no temptation for her to employ them in anything except those occupations. South America accordingly does now and will for years go abroad to buy the greater part of her food, clothing,

furniture, building materials, etc., which she would rather buy than produce. All these things, or nearly all, can now be bought in the United States as cheaply as anywhere in the world; but American merchants have simply neglected the market, and the consequence is that nine tenths of what the South Americans import is shipped to them by Europe from points 1,000 to 5,000 miles further away from them than the ports of the United States. Here is an illustration of the inferior position occupied at present by this country in that immense and profitable trade. No figures can be obtained later than 1874. In 1874 the United States, England, and France sold to South American countries the following amount of goods (the figures for England and France being for the calendar year):

	United States.	England.	France.
Peru	\$2,621,906	\$9,149,885	\$6,498,610
United States of Columbia	5,359,844	12,960,780	4,705,695
Mexico	6,004,370	6,614,890	4,512,708
Argentine Republic	2,683,968	15,961,695	14,775,806
Chili	2,813,990	14,462,425	9,269,970
Uruguay	1,147,620	6,520,780	5,975,539
Brazil	7,778,676	40,230,760	16,668,215
Totals	\$28,859,869	\$106,900,695	\$62,896,543

"The United States do not therefore now send to the whole continent of South America and to Mexico over \$30,000,000 worth of goods in the course of a year, although they buy \$75,000,000 worth from that region of the world annually. And yet the United States are now no longer beaten in the markets of the world in respect to the prices or the excellence of the things, which the peoples south of us buy in any quantity. . . . The secret of the supremacy of England and France in that commerce resides in the existence of their splendid steam lines. On an average, one steamer a day, of from 1,000 to 5,000 tons burden, leaves England for Brazil and the River Plata. There are three lines running to Pará at the mouth of the Amazon. There are two lines running direct to the west coast from Europe, having some of the best steamers afloat. They make a voyage of about fifteen thousand miles and carry freight for about \$15 a ton, while from New York the facilities are so imperfect that freight costs \$20 and upward a ton. It is useless to compete with Europe on a large scale, therefore, until the merchants of the United States take hold of the work of securing good steam communication to those countries, sincerely."

These remarks are perfectly true. If the United States had a number of steamship lines to South America, she could extend her trade with that region enormously. Indeed very little can be done until the lines are established. There is one line to Brazil now and trade has received a new impulse in consequence of its establishment, but there should be steamers to Buenos Ayres, to Chili, Peru, Venezuela, and other places. If there were, a few years' time would work wonders in the expansion of trade. It does not require any special reference to history to prove it. Nor does it require any argument to prove that all parts of the United States would be benefited by an expansion of our foreign trade.

"The World" might have mentioned one fact which it did not. The French, English, and German steamers running to South America were originally established, and are still maintained, by means of subsidies.

When the subject of subsidies was under discussion last winter, Mr. F. B. Thurber, of New York city, came forward among others as an advocate of proper compensation for ocean mail-service. In a short letter to "The Nation" in January, he said something which would be very appropriate here. Here it is :

"Divesting this question of all tariff, currency, and other sophistries, we must come down to the plain, business principle that, if we would compete for the trade of a certain country or locality, we must furnish equal facilities with other nations who are also catering for this trade. I recently had a practical illustration of the important bearing which transportation has upon business. Two retail grocers were competing for the trade of a certain outlying suburb, the people of which had for a long time, without solicitation from either grocer, purchased their supplies at whichever store they chose and taken them home the best way they could. One of the grocers conceived the idea of putting on a wagon, with a smart driver to solicit orders and deliver goods. As a natural consequence he soon absorbed a large part of the trade of the suburb, and his competitor found himself obliged to do the same thing in order to retain his portion of the trade. There is a strong analogy between this case and the present situation of the United States in regard to South American and other foreign markets. England, France, Spain, Italy, Holland, and other countries of minor commercial importance have all been sending out their steam messengers to the four quarters of the globe to solicit orders and deliver goods, while we in the United States have been attributing the paucity of our foreign orders principally to one cause, and, in my opinion, not the chief one."

There is a third reason why the United States should encourage the establishment of steamship lines. This is found in the relation of our ship-yards and merchant vessels to the United States Navy. If the Government of the United States were compelled to supply itself with the shops and mechanics indispensable for maintaining a navy, the cost to the people would be millions of money annually, over and above the \$20,000,000 now spent every year for that purpose. It is almost without exception the rule that, whenever a government attempts to carry on a manufacturing business of any kind, the work is not so well done as it would have been in private establishments, or, if equally well done, then it is not done so cheaply. The extremely few exceptions prove the rule, and, indeed, the proposition is universally admitted to be sound. All governments act upon it by giving as much of their work as possible to private establishments, and the reasons for so doing are obvious. The machinery of shops is continually wearing out, as also the shops themselves; they have to be replaced. A certain number of men have to be kept employed, so that

they may acquire and retain the skill for the proper construction of ships. The cost of the wear and tear of shops and of the keeping a certain number of men employed, if paid by a government, would add to the burdens of taxation heavily. It would add from \$5,000,000 to \$10,000,000 annually to the cost of our own navy. It is far better for the Government that there should be a large number of private ship-yards scattered throughout the country, fully equipped and manned, and having plenty to do. The Government, while thus spared the extravagant cost of maintaining expensive establishments, could at the same time always secure the construction and repair of ships as promptly as though it had its own shops and yards. In the late civil war the Government would have been helpless without the private establishments. What a spectacle the Brooklyn Navy Yard presented at that time! Seven thousand men employed there, and vessels standing at the wharves a hundred deep, waiting wearily for repairs. The same state of affairs existed at other government yards. The private shops were a more important resource in that hour of extreme peril than the whole array of government establishments. The experience of that four years of war and of the fifteen years since has established beyond question the importance of the private yards as a resource in war and a means of economy in times of peace.

Then, it is important to the navy that there should be among the merchant vessels of the United States a large number of iron steamships, swift, capacious, and stoutly built, to act as an auxiliary fleet in case of war. The type of war-ship now most gaining in favor throughout the world is the one known in England as the armed dispatch vessel and in France as the rapid type. The ship is unarmored, and is very fast, being capable of making 17 knots an hour, and having the strong frame and large coal-carrying capacity indispensable for maintaining a high speed for a considerable length of time. Now that Krupp and Armstrong are manufacturing 100 and 150 ton guns, armored ships are useless except for harbor defense. England has spent \$80,000,000 upon armored ships within the last 15 years, and is now compelled to view with regret the fact that the vast majority of her fighting ships have been rendered obsolete or ineffective by the new guns. A large number of the costly ships of France, Germany, and other powers have been rendered antiquated by the same cause. There are already strong advocates of the idea of abandoning armor in Europe, and the popularity of swift unarmored war-ships is rapidly increasing. England, France, and Russia are now buying and building this class of vessels for cruisers. The cruising fleets of the world are to be reorganized on this principle. This outcome of the progress of invention makes the condition of the merchant steam marine of a country a matter of great importance. The absence of such a marine

is now a source of weakness, to any country having a commerce to protect. Chief Engineer King, of the United States Navy, announced to Secretary Robeson in his report on "European Ships of War," in January, 1877, that the British mercantile marine possessed 419 steamers of above 1,200 tons and under 5,000 tons register, many of which would be relied on for 14 or 15 knots an hour in good weather, for seven or eight days consecutively. In the event of war any of those ships would be at the command of the Government; and, with such a cruising fleet, England would be able to sweep the commerce of any nation from the high seas in three months time. The British Admiralty is now carefully considering the subject of utilizing those ships in case of war by arming them with light rifled guns and Whitehead torpedoes. Under the circumstances, a country like the United States, having a great coastwise and ocean commerce, which does not wish to maintain a large and costly navy, but which cannot afford to be left helpless in case of war, is bound by every consideration of duty and prudence, to provide itself with a large and efficient steam merchant marine, built, if possible, under the inspection of the Government, and convertible into cruisers in case of war. We could gain both the ships and the right of inspection, by offering to give mail contracts to those who would build and operate them. Ought we not to offer those contracts, then? The prosperity of the people, farmers, artisans, and merchants alike, is intimately allied with the free and rapid export of the surplus commodities of the land. Can we afford not to be fully prepared to carry these commodities if the nations now carrying them should become involved in war, and to protect our commerce when that or any similar emergency shall arise? And who that knows with what persistency all the powers of Europe maintain enormous armaments will venture to say that the emergency may not arise at any moment?

The words of Jefferson in his famous "Report on Commerce" in 1794 are worth repeating, in connection with this subject. He said:

"Our navigation involves still higher considerations. As a branch of industry it is valuable; but as a resource of defense essential. The position and circumstances of the United States leave them nothing to fear from their landboard, and nothing to desire beyond their present rights. But on the seaboard they are open to injury, and they have there too a commerce which must be protected. This can only be done by possessing a respectable body of citizen seamen, and of artists and establishments in readiness for ship-building. If particular nations grasp at undue shares [of our commerce], and more especially if they seize on the means of the United States to convert them into aliment for their own strength and withdraw them entirely from the support of those to whom they belong, defensive and protecting measures become necessary on the part of the nation whose marine resources are thus invaded, or it will be disarmed of its defense, its productions will be at the mercy of the nation which has possessed itself ex-

clusively of the means of carrying them, and its politics may be influenced by those who command its commerce. The carriage of our own commodities, if once established in another channel, cannot be resumed in the moment we desire. If we lose the seamen and artists whom it now occupies we lose the present means of marine defense, and time will be requisite to raise up others, when disgrace or losses shall bring home to our feelings the evils of having abandoned them."

What would Jefferson have said, could he have foreseen that, a century after his time, the foreign commerce of the United States would be so wholly in the hands of foreign nations that the country would not even have ships enough to transact and protect that commerce, if European nations should become involved in war?

A great many minor considerations can be advanced in favor of the expediency of Government action. But these will suffice. Now let us post up the account. Remember that foreign ships now carry more than three-fourths of the commodities we exchange with foreign nations. American ships carry less than one-fourth. It would cost the country to change this state of affairs, by maintaining the Navigation Laws and establishing American steamship lines, perhaps \$5,000,000 a year. It would cost perhaps \$1,000,000 more a year for the Navy. Now, first, these lines would save to the country at least one half of the \$50,000,000 of freight money now paid on imported goods, and they would earn at least one half of the large sum paid by foreign nations on the goods exported from this country. Then, they would give employment to tens of thousands more of American citizens, on land and sea. They would also relieve agriculture, promote industry and trade, and impart security to commerce. They would add enormously to the resources, collective strength, and prestige of the American people. What inexpressible benefits! How slight the cost! That cost, too, to be cheapened by the increase of receipts from foreign mails. Is there a shred of doubt left as to the expediency of Government action? Ought we not, then, to go in for mail contracts to steamers?

Even if the balance had fallen on the wrong side in footing up the account, it might still have been advisable to spend the money for the sake of creating the means of defense, for use in case of need. John Stuart Mill, speaking of the English Navigation Act, and the temporary rise in the cost of freights when the Act was passed, says: "I at once admit that the object was worth the sacrifice; and that a country exposed to invasion by sea, if it cannot otherwise have sufficient ships and sailors of its own to secure the means of manning on an emergency an adequate fleet, is quite right in obtaining those means, even at an economical sacrifice in point of cheapness of transport." The United States is exposed to invasion only from the sea. Her coast line is simply enormous, and it constitutes her one weakness, in the matter of

defense. It is her duty to guard that weak point even at "an economical sacrifice," and it would make no difference whether the sacrifice took money from the national treasury direct or from the pockets of the people in high freights. It would come to the same thing in the end.

If the American people could compete with their rivals in navigation on equal terms, the resource, genius, and enterprise of this country would soon restore the ascendancy of the American flag upon the high seas. But there is nothing like fair competition in navigation. Nearly all the Governments of the world have established systems of subsidies and regulations to promote the interests of their own shipping, and Americans when they attempt to go into steam navigation on the great oceans find themselves in competition, not with the individual business men of other lands simply, but with the collective strength and resources of the whole of some of the most wealthy nations in the world. The United States has nothing to hope from other nations in the way of equality of competition in navigation, unless the Government demands and fights for it. The United States has never gained any recognition of the rights of its merchant vessels, or any extension of its navigation, except by retaliatory laws of the most stringent character and by downright hard fighting with powder and ball. It never will, in the future, gain anything worth having except by the same pushing policy.

DISCRIMINATION AGAINST AMERICAN SHIPS.

III. In concluding, attention ought to be called to a strange anomaly in the postal laws of the United States. There is a discrimination in them against American vessels carrying the foreign mails. One phase of this matter was touched upon in the chapter preceding this, but a fuller notice of it is necessary. All the railroads and canals, and a majority of the plank-roads, turnpikes and rivers, and coastwise steam routes of the United States, are declared by law to be post routes of the United States. The Postmaster General is by the same authority empowered to provide for carrying the inland mails over these routes as many times per day or week as he may deem proper.

The law points out how he is to provide for carrying the mails, namely, "he may contract" with carriers on the different routes for the service. If he cannot induce the railroads to transport the mails for a compensation not exceeding the maximum rates allowed by law, he is expressly authorized to establish a system of fleet mail carriers on horseback for the dispatch of the lighter mails, and of wagons for the transportation of the heavier packages. He can resort to any other plan if he finds a better one. The Government once paid

\$1,000,000 a year for a pony express, the one across the plains. The point is that the Government constrains no carrier of the inland mails to transport a single package of letters against its will, the few land-grant railroads alone excepted. If the carrier does not think that the compensation offered by the Government is sufficient to pay for the trouble, it can decline to carry the mails, and there is no remedy. The laws do not permit the Government to compel the carrier to perform the service. This is, of course, simple justice to the citizen, whose property and time cannot be taken without proper compensation.

But, now, how is it, on the other hand, with the carrier of the mails on the high seas, if that carrier happen to be an American vessel? The Government has no right to compel a foreign ship to carry a single package of letters, but the merchant vessels of the United States are, by law of Congress, compelled to carry all mails offered to the masters thereof by the post-office authorities here, and by consuls abroad, and to accept such compensation as Congress autocratically directs. This compensation has at no time been in excess of the sea and inland postages combined on the mails carried. When the law was originally enacted, this compensation was not so inadequate as now, because inland postages were high, they being 25 and 12½ cents, being even as high as 5 and 10 cents, according to distance, as late as 1845. In 1861 the postage to California was \$1 per half ounce. The sea postages were also very high. As late as only 10 years ago, the single letter rate between this country and Europe was 24 cents. There was some profit in carrying the mails at those rates. But now the postage on all inland mails has been reduced to 3 cents; the sea postage is 2 cents. Five cents per half-ounce letter, 2 cents for each postal card, and 2 cents for each 4 ounce newspaper, is the utmost compensation now. It is about one-tenth of what it used to be, and is an utterly inadequate remuneration for the trouble and responsibility. The foreign ships receive only the sea postages. There is another point: The necessity of delivering the mails committed to the master of a vessel is frequently a source of delay and great expense to a ship, which may have storms to fight, and whose plans, upon touching at some port for telegraphic advices from home, may be changed by its owners. No matter what the trouble, the ship is compelled to deliver the mails assigned to its master, or forfeit all the rights and privileges of a vessel of the United States. There is no opportunity for negotiation. There is no appeal. This is a strange and unjust provision of the law. A company of citizens who invest their capital at great risk to themselves either in sailing ships or in a great steamship line to trade to a foreign land are no less entitled to the protection of the laws and to fair treatment from the Government, than the company of men who put their capital into a railroad. Yet the Government deals with them in an

entirely different manner. The Government would not dare treat railroad and local steam and wagon lines as it does ship-owners.

The stages and wagons carrying the inland mails under their contracts with the Post-Office Department, receive an average of \$28 per mile of route per annum. The steamers on the rivers and along the coasts receive an average compensation of \$43.50 per mile per annum. The railroads receive an average of \$131 per mile per annum, the compensation to these lines ranging all the way from \$35 on the less important roads to \$538, \$897, \$922, \$979, and \$1,155 per mile of road per annum on the principal lines. On the vast majority of these routes, the postages collected do not repay the Government for the cost of the service. On only a few hundred out of the whole array of 9,900 routes, would the carrier consent to accept the postage as his compensation. Why should postages, then, be made the sole basis of compensation, especially when it happens, absurdly, that the merchant vessels of the United States, being compelled to accept the postages alone, can obtain only about \$1 per mile of route per annum, for performing the valuable service of transporting the ocean mails? The American steamers from Philadelphia to Liverpool receive about 80 cents per mile per annum. The company sends off ships over a stormy ocean 3,100 miles wide, and receives less for carrying the mail than the stage-coach running up into some backwoods region in Maine, or the sleepy old sloop that carries a weekly mail out to the slumbering inhabitants of some little fishing island on the coast. And all the time the Government is making a handsome profit on the ocean mails. It does not attempt to make a profit on the inland mails.

The theory of our system is that the postages shall be rated so as merely to pay expenses. If we make a large profit on certain big lines, the money is employed to establish mails in new and non-paying regions. If an extension of the system is not needed, then the cost of postages is reduced. That is the historical theory of our system. The theory is utterly disregarded in the matter of the foreign mails. The treatment of our ships is "*L'indigne moitié d'une si belle histoire.*"

A private letter from Mr. Joseph H. Blackfan, United States Superintendent of Foreign Mails, says that the excess of postage receipts over expenditures for foreign mails in 1878 was \$400,000. Mr. Blackfan did not mention it, but the writer knows that some years the profit has risen to \$600,000, and this too under the cheap postages of the International Union. It would be appropriate to devote this money to extending the mail communications of the United States, and to a better compensation of the carriers.

Before closing, something might be said, perhaps, about the interoceanic canal. The whole world is excited now over the daring

idea of building a canal across the American isthmus. De Lesseps has lent his great name to the scheme. General Grant is talked of as the executive head of the canal company, and the General has expressed his interest in the work. This canal will shorten the voyage from our North Atlantic seaports to points on the west coast of South America from 11,000 miles to a voyage of from 2,400 to 4,000 miles. It would shorten the voyage to San Francisco, now 15,300 miles, to 5,500 miles. What will that canal do for the shipping of the United States? It will do much. It would give us an advantage in certain trades at once, unless England, France, and Germany should increase their present subsidies. But when are we to have that canal? The new route from sea to sea can not be opened for travel in less than twelve years after the pick is first struck into the ground. This is the report of all engineers. It will be several years before the work is even begun. A route is not finally decided upon yet. De Lesseps does not expect to live to see the canal finished. He only wishes for the honor of seeing it begun. It will be 1895 or 1900 before a ship sails across the American isthmus from ocean to ocean. Meanwhile, what are we going to do about our shipping? Wait for the canal? What nonsense!

One thing more may be said, and the suggestion is of the utmost consequence. We may differ about the methods to be employed to restore our commercial supremacy upon the seas, but all must now admit that, if there is to be no change in our circumstances, supremacy will never come back to us, and ship-yards, ship-builders (for there are few learning the trade), and high-class ship-building will cease to exist in America. Builders have been waiting a number of years, paying taxes, taking care of their properties, and supporting the families of tens of thousands of mechanics, while making little money for themselves, hoping that Congress would do something for the shipping interest of the country; and, unless wise heads do take hold of this matter, the present generation of builders and ship-mechanics will die out, and the country will be deprived of its most important resource in time of war, and its most profitable industry in time of peace.

Congress has a duty to perform in this matter. It has a duty to perform toward American labor as well as toward American capital. It should protect the American mechanic, the laboring-man, the farmer, the sea-captain, and the sailor from being ground down to the low standard of the working-man abroad. It is often said that American mechanics and farmers want books to read, pianos in their parlors, education for their children, and even pictures on the walls. The sea-captain expects to dine in a swallow-tail coat with the consignee, carry a gold watch, own ships, become a merchant, and go to Congress. The sailor has a home, and leaves the ship the moment it arrives in

port to greet his family. These things all tell against us, it is said, because it prevents us from producing and operating ships as cheaply as our rivals. Give us free trade. Grind down the mechanic and all who live by his work, and the sea-captain and the sailor, and then we can get along without subsidies. But it is a good thing in every point of view that American mechanics and seamen live as they do. They are better men, and make better citizens, because they live well and desire the enjoyments of the mind. We want them to live well. Their mode of life makes them a tower of strength to the country. Ask the working-men and seamen of America what they think of the duty of Congress in this matter. What does Congress itself think about the idea of oppressing American labor ?

THE END.

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THE object of THE MERCANTILE AGENCY is to supply information as to the Capital, Capacity, and Character of parties engaged in trade. Established forty years ago, this concern was the first organized effort to relieve the merchants, manufacturers, and bankers of this country from the uncertainty of credit operations. It sought to substitute for the tardy, expensive, and unsatisfactory results of individual investigation, a *system* that should be alike prompt, economical, and reliable. How far that system has been successfully applied, we leave it for the public to judge, after an uninterrupted existence of nearly half a century, during which time our business relations with mercantile circles have so increased as to necessitate the establishment of a branch office in every city of any prominence whatever in this country, in Canada, and in several leading capitals of Europe.

ADVANTAGES OF EIGHTY-ONE BRANCH OFFICES.

The advantage enjoyed by the subscribers to an agency having eighty-one branch offices, over those connected with an institution having less than half that number, ought to be very apparent, but it is sometimes not sufficiently appreciated. If these branches are, for a long period of years, sustained by local revenue, it implies that the information in each locality must be gleaned in a manner satisfactory to those who, being on the spot, are the best judges of its reliability and completeness. If on these reports local transactions are constantly consummated, the information is as constantly tested and confirmed, or revised and amended; so that the result, so far as the locality is concerned, is a photograph of the local impression faithfully gathered. These photographic reports are transmitted and interchanged between each of the eighty-one branches needing them. The subscriber has whatever benefit arises from this large expenditure, in the fullest details regarding his customers in their respective localities. The difference is between having on the spot a well-trained staff of agency men, devoting their whole time to the work, spending a large local revenue, and constantly under the surveillance of local patrons, as compared with the opinions of a single unknown correspondent, constantly underpaid, if paid at all, who will have his own purposes to serve, and will certainly make the most—honestly if he can—out of the connection. The division of the country into eighty small compact districts, each under the supervision of persons entirely familiar with the work, it is submitted, ought to result more satisfactorily to subscribers than if the country were divided into thirty large departments, remote portions of which it is impossible to report except by relying on the most slender kind of local material. If merchants themselves can not thus see the advantage of employing the agency with the largest revenue, employing the largest number of trained men, and with the largest number of subscribers to criticise reports, they are less obtuse in other matters than in this.

CHEAP OR SECOND-RATE AGENCIES.

The difference in price for the use of the various agencies is rarely less than \$25. Now, to save this paltry sum, spread over an entire year (or this percentage, if the use is large), some are disposed to content themselves with a second-rate agency. A moment's reflection ought to convince those who so decide that the saving thus made is most unwise, for the following reasons: Presuming that an agency, to be worth anything, must have at least 5,000 subscribers, by accepting the low rate it voluntarily relinquishes an income of \$125,000, which, if received and judiciously spent, would make a very great difference in the quality of its information. The subscriber, by saving his \$25 a year, thus deprives himself of the advantage of an expenditure of \$125,000 per year. But a really first-class agency, that has, say 10,000 subscribers, by its insistence on the payment of even this additional \$25 as a remunerative rate, thereby adds to its revenue \$250,000. If the subscriber can, by the payment of \$25, secure all the advantages of a judicious expenditure of a quarter of a million of dollars, by persons in whom he has confidence, directed by long years of experience, and with machinery in perfect working order, is there in the whole course of his business an expenditure that will pay him a better return than this \$25 additional?

R. G. DUN & CO.,

Albany, Allentown, Atlanta, Baltimore, Binghamton, Buffalo, Burlington, Charleston, Chicago, Cincinnati, Cleveland, Columbus, Dallas, Davenport, Dayton, Denver, Des Moines, Detroit, Dubuque, East Saginaw, Elmira, Erie, Evansville, Galveston, Gloversville, Grand Rapids, Hartford, Houston, Indianapolis, Kansas City, Keokuk, La Crosse, Leavenworth, Little Rock, Louisville, Memphis, Milwaukee, Minneapolis, Mobile, Nashville, Newark, New Haven, New Orleans, Norfolk, Omaha, Oswego, Peoria, Philadelphia, Pittsburg, Portland (Ore.), Providence, Quincy, Richmond, Rochester, St. Joseph, St. Louis, St. Paul, San Francisco, Savannah, Scranton, Springfield, Syracuse, Toledo, Troy, Utica, Willamport, London and Manchester (England), Glasgow (Scotland), Paris (France), and Leipzig (Germany).

DUN, BARLOW & CO., 314 and 316 Broadway and 80 Wall Street, New York.

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E. RUSSELL & CO., Boston, Worcester, and Portland.

LIGHT.

RELIABLE, SAFE, ECONOMICAL.

ELECTRIC LIGHT, as so far developed, has a comparatively limited field of usefulness, but in that field has no equal. The phenomenal success of the now famous BRUSH ELECTRIC LIGHT has attracted general attention to the subject, and owners and managers of industrial establishments throughout this and foreign countries are beginning to realize the great advantages, both in economy and in more effective light, which this new and wonderful illuminator offers. Over six hundred *Brush Electric Lights* have been sold for actual use during the past year (1879), and they have gone into manufactories, mills, mines, hotels, stores, parks, steamers, seaside resorts, and places of similar character throughout the country, from Maine to California, and also in foreign countries. The following are mentioned as a few of the most prominent users of the Brush light in this country.

56	lights in	Grand Depot of John Wanamaker, Philadelphia, Pa.
2	"	Reading Railway Company's steamer Harrisburgh, Philadelphia, Pa.
4	"	Edgmoor Iron Company, Edgmoor, Del.
12	"	Phoenix Iron Company, Phoenixville, Pa.
10	"	Pennsylvania Steel Company, Baldwin Station, Pa.
16	"	Pottstown Iron Company, Pottstown, Pa.
16	"	Park Bros., Black Diamond Steel Works, Pittsburgh, Pa.
80	"	Riverside Worsted Mills, Providence, R. I.
6	"	Willimantic Linen Company, Willimantic, Conn.
86	"	Conant Thread Company, Pawtucket, R. I.
6	"	Continental Clothing House, Washington Street, Boston, Mass.
6	"	Nantasket Beach, Boston Harbor, Boston, Mass.
54	"	Oswego Falls Woolen Mills, Fulton, N. Y.
4	"	Washburn & Moen Manufacturing Company Wire Mills, Worcester, Mass.
28	"	Iron Pier at Coney Island, New York.
6	"	Loeser & Company, Dry Goods Store, Brooklyn, N. Y.
17	"	Prospect Park and American Falls, Niagara Falls, N. Y.
16	"	Chautaugus Lake Sunday School Assembly, Fairpoint, N. Y.
16	"	Chicago Times Establishment, Chicago, Ill.
16	"	Grand Pacific Hotel, "
2	"	Otis Iron and Steel Company Rolling Mill, Cleveland, O.
12	"	Monumental Park, Cleveland, O.
18	"	Cooper, Bailey & Company, Circus, "On the road."
4	"	Deer Creek Mine, near Smartsville, Cal.
4	"	Lake Superior Iron Company Mine, Ishpeming, Mich.
10	"	Palace Hotel, San Francisco, Cal.
16	"	Mechanics' Pavilion, "
6	"	Pacific Coast Line steamer State of California, San Francisco, Cal.
18	"	Atlantic Mills, Providence, R. I.
18	"	Globe Mill, Pawtucket, R. I.
6	"	Passaic Rolling Mill, Paterson, N. J.

In all of these places the *Brush Electric Light* is used because it is the cheapest and best light for the purpose, and not solely because of its great beauty and attractiveness. The case of the Riverside Mill at Providence, R. I., an enormous factory of worsted goods, well illustrates the advantages offered by this light. They first ordered a sixteen-light Brush machine for use in their weaving shed, and, as it proved entirely successful, ordered more until now they have arranged for no less than five of these large machines, yielding in all eighty powerful lights of two thousand candle power each, and with them light their entire establishment, thereby saving enough over their former expenditure for gas to *pay for the entire cost of the apparatus inside of two years*. In many other places equal success has been attained, and the factory of the Telegraph Supply Co. where the machines are made is driven to its utmost capacity day and night to supply the demand. In all cases where power is already in use, and enough can be spared to run the Brush machine, the cost of the light is reduced to the mere consumption of the carbon points in the light, which amount to just *one cent per hour* for each light; and each light will displace from ten to fifty gas burners, varying according to the situation.

The Brush Electric Light is therefore offered as the best and most economical light now known for use in factories, mills, parks, large stores, hotels, seaside resorts, wharves, docks, steamers and ferry boats, mines, newspaper establishments, and large spaces generally. Inquiries regarding the apparatus will be answered and more detailed information furnished by the

TELEGRAPH SUPPLY CO., *Sole Manufacturers,*
Cleveland, O., U. S. A.

M. D. LEGGETT, *President*
(Formerly Com. of Patents).

GEO. W. STOCKLY, *Vice-Pres. and Manager.*

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